



# DO RIGHT

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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

In a business where preferences evolve gradually, there is an over-riding priority to do everything right *all the time*.

At Kriti Nutrients, this priority translated into a willingness to grow the business through ethical uprightness, invest in world-class manufacturing facilities, produce the highest quality, Strengthen processes, invest in research and reinforce business sustainability.

The company's enduring business approach is captured in two over-arching words.

**Do Right.**

# How the 'Do Right' philosophy helped us create the exciting world of Kriti Nutrients Limited



## 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, understated elegance
- Grounded
- Confident
- Approachable
- Leader

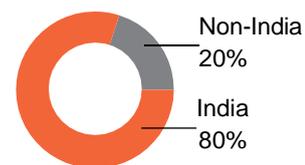


## The Kriti Group

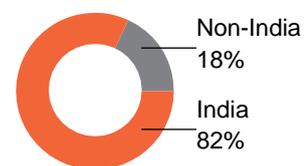
The Kriti Group comprises three companies called Kriti Industries (India) Limited, Kriti Nutrients Limited and Kriti Auto Engineering & Plastics Pvt. Limited.

## Revenues by region

2018-19

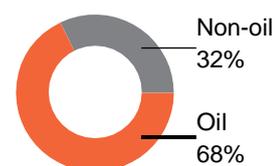


2019-20

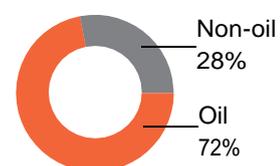


## Revenues by business segment

2018-19



2019-20





### **Businesses**

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



### **Location**

The Company's soybean 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 manufacture and effluent treatment; it also comprises fluidised bed boilers coupled with a complementary tin and jar packaging facility.



### **Portfolio**

The Company's product portfolio comprises refined soybean oil and value-added soybean 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 2019-20.



### **Financial performance**

In 2019-20, the Company generated revenues of C523.66 crore and profit after tax of C19.00 crore. Cash profit was C22.05 crore and EBITDA margin 5.15%. stake in the Company's equity share capital.



### **Listing**

The Company is listed on the Bombay Stock Exchange. The Company's market capitalisation was C75.66 crore as on 31st March 2020. The promoters accounted for 66.35% stake in the Company's equity share capital.



## The first word

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# Kriti Nutrients is securely positioned to protect its eco-system on the one hand and outperform sectoral growth as soon as conditions improve.

The world is passing through uncertain times and it would be unfaithful to begin a review of the last financial year without a mention of it.

The abruptness of the virus incidence, the speed of its spread and the extent of its impact represent a watershed in the history of humankind.

At Kriti Nutrients, we were not affected as much by the virus impact during the financial year under review. As a business that is a part of the national and sectoral eco-system, the spread of this virus and the lockdown that transpired thereafter have only reinforced our conviction that for businesses that expect to endure there needs to be a distinct strategic clarity.

An unpredictable environment as the one that we are passing through puts a premium on strategic de-risking and the need for managed growth. This is a time when we believe that the

truly sustainable companies will effectively resist a sharp revenue, profits and margins downside while the going is difficult and be quicker off the blocks once conditions revive.

So what companies are expected to endure?

At Kriti Nutrients, we believe that companies that are in existence to address a specific purpose – in our case, soybean-based edible oil and value-added product solutions - will find it easier to protect their brand recall during such challenging periods.

We believe that companies that have extended beyond a generic positioning and address specific market segments – like Kriti Nutrients is positioned - stand a better chance of competitiveness across market cycles.

We believe that companies that are faithfully aligned between overarching strategy at one end and their organisational structure at the other in terms of size, speed and austerity – like we have attempted – will be better equipped to survive the downtrend and recover fastest when sentiment revives.

We believe that there is a greater priority in being low on long-term debt than ever before. We have

been managing our growth from the annual surplus generation and the cash sitting on our books while drawing down debt, which we believe is sustainable from a long-term perspective.

And lastly, we believe that companies like Kriti Nutrients, who are able to retain their stakeholders and generate superior productivity, will be better equipped to provide effective solutions that transform the business health of farmers.

The principal message then that I wish to convey to our shareholders is that Kriti Nutrients is securely positioned to protect its eco-system on the one hand and outperform sectoral growth as soon as conditions improve.

**Shiv Singh Mehta**, *Chairman and Managing Director*

A close-up photograph of a wooden scoop filled with yellow lentils, resting on a wooden surface. The background is softly blurred, showing more lentils and a glass of yellow liquid. An orange rectangular box is overlaid on the left side of the image, containing white text.

How **‘Do Right’**  
resides at the core  
of our governance  
commitment



## At Kriti Nutrients, governance lies at the heart of our business.

Our principal product is marketed not around over-stated promises; it is marketed around the simple assurance of trust.

A homemaker or chef buys our 'Kriti' brand because she or he is convinced that the product will be good for the consumer's health and well-being. At our company, governance is the hundreds of things that we must do to protect that promise and assurance.

We believe that this commitment will be virtually impossible to sustain if we leave things to chance and hope that everything falls into the right place at the right time. We believe that such a commitment can only become a consistent reality if it is built around a framework that is secure, scalable and sustainable.

### Trust

At Kriti, we believe that there is one word that encapsulates all that we are 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 with risk capital, why bankers lend 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.



### Discipline

At the base of our governance pyramid lies the discipline to do things once and again in a consistent manner. We believe that governance is nothing but the commitment to keep doing things however challenging or inconvenient it may be at times, convinced that eventually the gains will be disproportionately higher than all the investments of time, effort and funds that have been made. This discipline has helped the company maintain a delta (margin in lieu of our raw material processing capability) through market cycles. During good markets when returns exceed our desired delta, we pass the upside to our trade partners, strengthening their loyalty.



### Doing things the right way

At Kriti, we believe governance is nothing more than the commitment to do the right things (in addition to doing the right things for enhance efficiency). This combination enhances organisational predictability and consistency, taking shocks out of the system and attracting stakeholders who believe in doing business this way. We are pleased to communicate that a large proportion of our dealers have remained with us for years, enhancing resource and revenue visibility, the basis of our long-term sustainability.



## Long-term

At Kriti, we have selected to build the business around long-term patience. This approach has influenced all the investments we have made in our assets, technologies, brands, people, locations, products and trade partners. For instance, we invested more in plant infrastructure and technologies with the perspective that this would not just provide us with a superior product quality but would be future-proofed from technology obsolescence and enhance our productivity across the years. We believe that this approach – expensive upfront but considerably low cost when seen from a long-term perspective - has translated into the highest standards of technology, integrity and competencies at our company. This commitment to 'Do Right' has translated into business robustness and stability.



## Singular focus

At Kriti, we believe that core competence is the biggest insurance against cyclical downturns. We have selected to position ourselves not as much as a soya bean oil processing company as much as a holistic protein products organisation (that processes soybean to generate oil and non-oil value-added products). We believe that our bean processing competence has been leveraged to manufacture a range of downstream protein products across two businesses. This protein-centric positioning has enhanced our strategic clarity, opened us to sectoral opportunities, attracted knowledge professionals and strengthened our product/process research, each a direct result of selecting to focus on protein-related opportunities. At Kriti, we balance the volume mix between our refined edible oil and value-added products business based on the downstream demand for edible oil products and institutional demand for our value-added products.



## Data-driven

At Kriti, we are an analytics-driven organisation. We have invested in digitalisation with the forward-looking objective to accelerate processes, generate rich data (consumers, customers, consumption, markets etc.) resulting in an accurate understanding of ground realities on the one hand and informed decision-making on the other. This approach has helped mature the organisation to one that is driven largely by technology-aided information sharing. We believe that, going ahead, our investment in SAP, data analytics and other digitalisation initiatives will strengthen our processes and fact-based decision-making.



## Distinctiveness

At Kriti, we recognise that we are in business to provide a distinctive value to our customers and consumers – through a differentiated product, engagement or experience. Over time, this distinctiveness has translated into the company being recognised as a sectorial outlier and respected player in the geographies of its presence.



## No positions

At Kriti, we do not take speculative positions on soybean irrespective of the nature of price swing or market price. This moderates periodic profit spikes on the one hand and limits downsides from sharp price declines, strengthening our business surpluses from competent resource processing only. The company will not seek short-term arbitrage opportunities around soybean processing.



## 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. This has helped the company grow its business in a sustainable way without stretching its Balance Sheet or managerial bandwidth. The result: the company strengthened revenues of soya oil and value-added products and emerged debt-free from 2018-19 onwards.



### Expand incrementally

At Kriti, we address a market that is annually growing in modest single-digits. To expand aggressively in this market implies that we would need to price below established players that could disturb market stability or nurse large unutilised capacity until a time that market growth caught up with our installed base. We believe that steady growth is the safest response: consumes expenditure that can be largely addressed through our accruals, does not compel us to disturb market pricing and seek lower prices that could in turn affect our brand and earnings potential and also does not stretch our managerial bandwidth in a business with a premium on the availability of specialised professionals.



### 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, comprising professionals and industrialists of standing. These individuals have enriched our values, experience, multi-sectoral business understanding and strategic quality. We believe that our sustainable growth has been the result of the direction provided by the Board, an invaluable asset.



### Balanced approach

At Kriti, we have selected to balance caution and aggression (strategic aggression and tactical conservatism), 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.



### Culture of excellence

At Kriti, we believe that in our business the level of excellence that we aspire to makes the difference between a good and great company. In view of this, we have created an organisation where 'good' is not good enough; we have invested in a culture of overarching excellence directed towards emerging as the sectoral benchmark in terms of quality (product and process) as well as resource productivity leading to continuous cost management and sustainability across market cycles. We made prudent investments to enhance manufacturing efficiency (optimal input-output ratios) while seeking to invest in processes that conserve time and material use.



### Process-driven

At Kriti, we believe that growth can be best derived when the promoter charts out a strategic direction and delegates day-to-day management to professionals. To facilitate the reporting of periodic progress, the company deepened its investment in processes and systems, especially information technology. We believe that this framework of processes represents a scalable foundation that will enable the company to grow profitably and without a significant increase in employees required to manage operations



### Audit and compliance-driven

At Kriti, we believe that business predictability and the absence of unforeseen systemic shocks are the result of a reviewless system. In view of this, we strengthened an audit-driven and compliance-driven approach, enhancing the credibility of our reported numbers. The result of this high-review culture is that the company has not incurred statutory penalties in its existence.



### Respect

The company's governance commitment translated into the Business Today Business Leadership Award in 2019-20.



**Focus**  
Business sustainability



**Priority**  
Respect for human dignity



**Perspective**  
Building for the long-term through thought and action



**Direction**  
Governance-led; focus on doing the right things



**Ethics**  
To work and think with the highest ethical conduct



**Compliance**  
Respect for statutes, regulations and laws of the land



**Modern**  
Investing in cutting-edge technologies (manufacturing and IT)



**Process-driven**  
Focus on the 'how' over the 'what'



**Standards**  
Graduated benchmarks from the local to the global



**Partner**  
Positioned ourselves as a dependable partner (not vendor)

# DOR



### Value-addition

Focus on superior products, quality and realisations beyond short-term price arbitrage opportunities



### 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



### Knowledge

Investing in research to support both businesses



### Brand

Investment in premium and branded edible oil



### Geographic focus

We have focused in select geographies instead of running ourselves thin.



### Certifications

The company enlisted for business-enhancing certifications

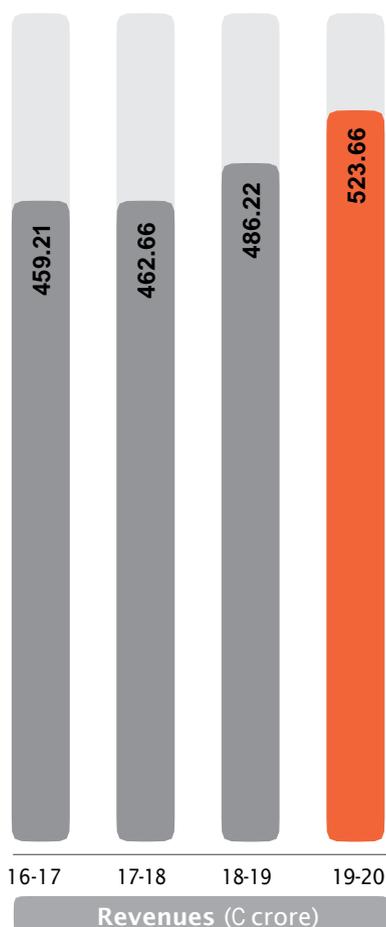


### Technology

Invested in cutting-edge digitalisation technologies to enhance sales effectiveness

# IGHT

# ‘Do Right’. How this focus has translated into long-term growth



### Definition

Growth in sales net of taxes

### Why this is measured

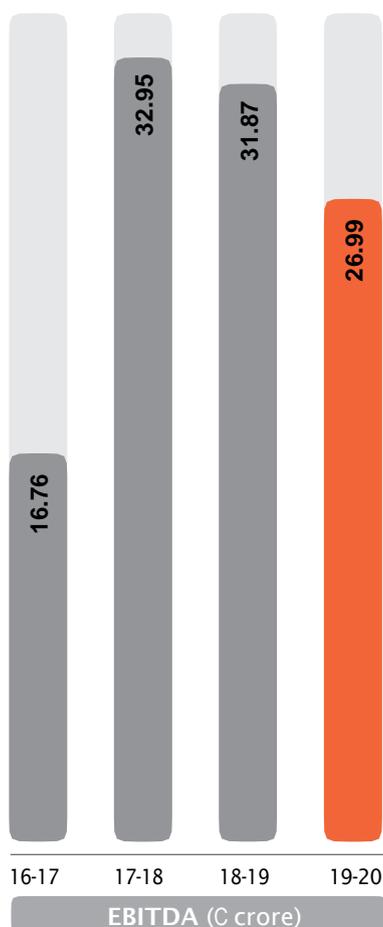
It is an index that provides a basis against which the company’s success can be compared with sectoral peers.

### What this means

Aggregate sales increased 7.24% to C520.37 crore in FY2019-20 due to increased product production and offtake. This was the third 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

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

### Why this is measured

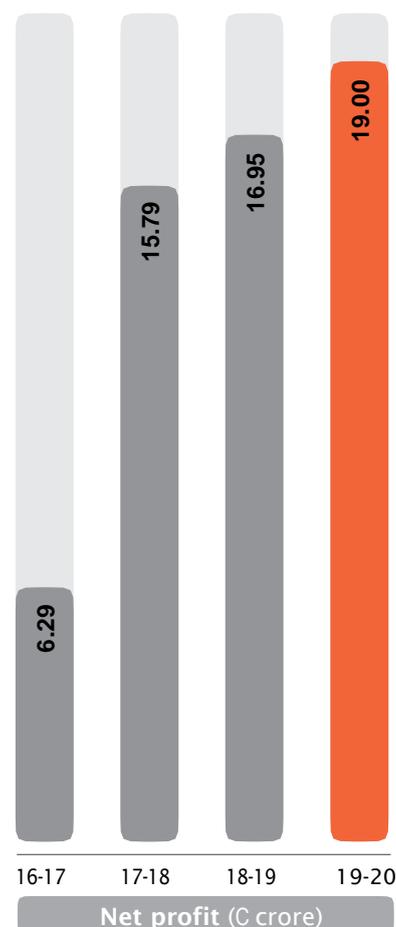
It is a measure that showcases the Company’s ability to generate a surplus after operating costs, a base for comparison with other companies

### What this means

Helps create a robust growth surplus-generating engine that enhances reinvestment.

### Value impact

The Company reported a marginal decline in EBITDA in FY2019-20 due to resource price volatility.



### Definition

Profit earned during the year after deducting all expenses and provisions

### Why this is measured

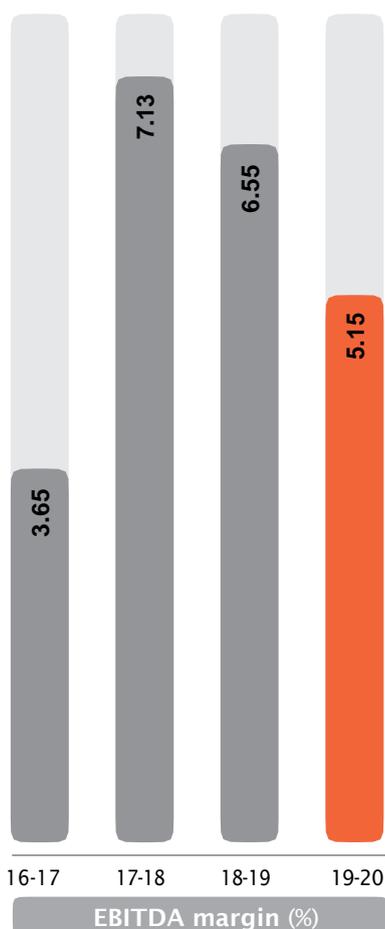
It highlights the strength of the business model in enhance value for shareholders.

### What this means

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

### Value impact

The Company reported an improvement in net profit in FY2018-19, validating the attractiveness of the business model.



**Definition**

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

**Why this is measured**

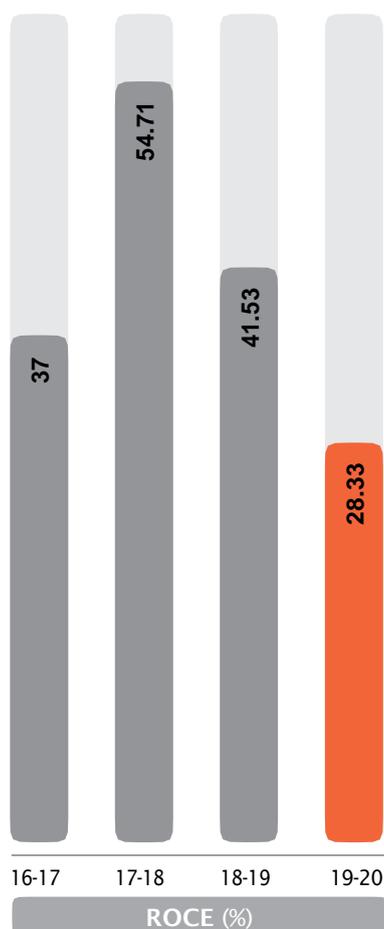
The EBITDA margin provides an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

**What this means**

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

**Value impact**

The Company reported a 140 bps decrease in EBITDA margin on account of resource volatility and business development costs incurred in FY2019-20.



**Definition**

This is a financial ratio that measures efficiency with which capital is employed in the company's business - EBITDA / (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 1320 bps decline in ROCE in FY2019-20 due to an increase in resource costs.



**Definition**

This is derived through the computation of the average cost of the consolidated debt on the Company's books.

**Why this is measured**

This indicates the company's ability in convincing debt providers of the robustness of our business model and negotiating a lower debt cost (leading to higher margins).

**What this means**

This translates into enhanced cash flows and strengthens credit rating leading to successive declines in debt cost

**Value impact**

The Company's debt cost was marginally higher at 9.83% during 2019-20. This percentage should ideally be read in conjunction with net debt/operating profit (an increase indicating higher liquidity).



How Kriti  
Nutrients '*Swaad  
Bhara Satkar*'  
demonstration  
programme  
enhanced  
consumer trust...



**When a van turned up in a public place in Ratlam, most onlookers felt that this was usual.**

Within minutes, they felt that something unusual was beginning to happen.

Out stepped from the van a chef attired in white and with the customary chef's cap.

What followed the shelf was a table, cooking pans and two heaters.

In front of a curious assembly, the chef proceeded to cook a snack in the public place.

Interestingly, he employed two bottles of cooking oil. He used oil from one bottle to cook the snack in one pan; he used oil from another bottle to cook a snack in another.

As the wonder grew and the snack appeared to be cooked a few minutes later, the chef invited a member of the street-side audience to step forward and taste from both pans.

After the invited member had done so, the chef turned into an eager interviewer.

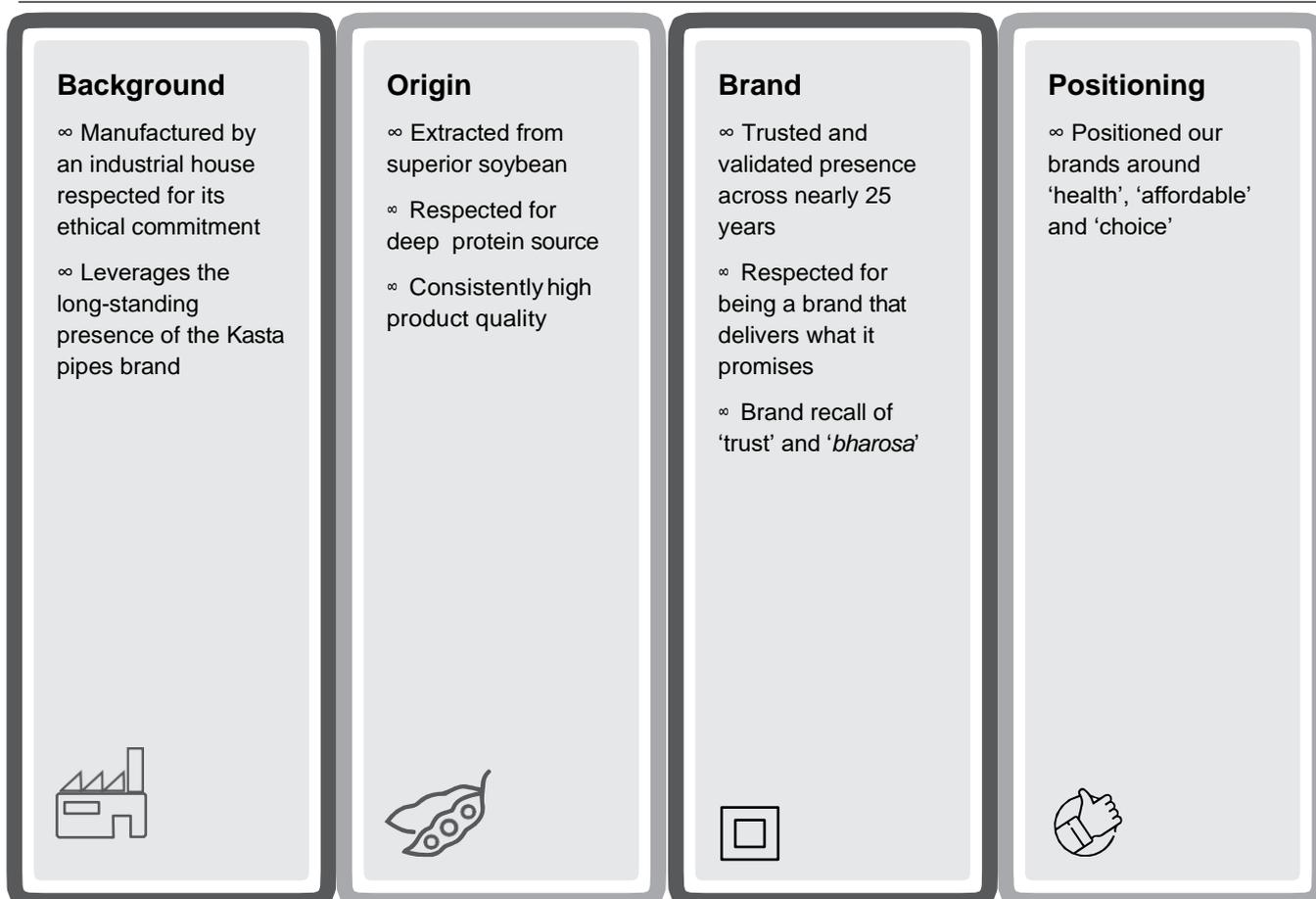
"The snack from which plate tasted better?" he asked.

The person who had eaten snacks from both plates rolled the snack over in his mouth, thought for a bit and then answered: 'The snack from the second plate.'

The oil used to cook the snack that had been served on the second plate was produced and processed by Kriti Nutrients.

*The blind test conducted in the open validated what the company had always professed: it made products of the best quality.*

# The **Kriti brand** promise...



# ...And how this has translated into superior financials



# ...How this enhances a consumer pull

## Choice

∞ Wide range of safe products across price points



## Price-value proposition

∞ Superior price-value proposition despite premium pricing

## Quality

∞ Premium product positioning addressing discerning consumers

∞ Generates superior outcome as an efficient and safe cooking media

∞ Low smokiness, lower oil consumption, fatty acid below ISI norms and high oil purity/ clarity



## Presence

∞ Available and accessible across 20,000 retail outlets

∞ Widening focus across Central India



## Catalyst

∞ No product recalls for the trade partner on account of quality

∞ No consumer complaining about product integrity

∞ No issues related to trade terms



## Productivity

Strong word-of-mouth; high brand spending efficiency



## Profitability

Helped generate profits and high RoCE year-on-year





Kriti Nutrients brings to this attractive space a long-standing sectorial presence, competitiveness, credible Balance Sheet, brand credibility, modern manufacturing facility and a commitment to do 'Do Right'.

**There are a number of reasons that make India is one of the most exciting stories in the global edible oils sector.**

The ongoing economic slowdown notwithstanding, India is among the faster growing major economies at the cusp of a decisive growth in aspirations, where Indians across economic backgrounds desire a superior lifestyle.

This aspirational improvement has been marked by growing disposable incomes, enhanced discretionary spending and a deepening trust in branded and packaged products. This preference has been marked by enhanced food hygiene. This wider awareness has resulted in the selection of cooking media promising superior output. There is a greater traction of Indian consumers in moving from relatively non-hygienic and unbranded cooking media to alternatives. The modern and progressive Indian of today will not only wear and live better; she will also eat safer. I am pleased to communicate that Kriti Nutrients has emerged as a beneficiary of this national transition.

What makes this space interesting is that even as India is one of the world's largest edible oil markets by population, the market is largely under-penetrated. India represents one of the largest global opportunities for sustained growth in edible oil consumption. India's per capita edible oils consumption was 17 kgs compared to the global average of 25 kgs in 2018; a large 40% of the country's edible oil is consumed unpackaged, creating

a large multi-year opportunity for branded companies like ours.

There are a couple of growth curves at play in India's edible oil business: on the one hand the country has an annual population growth rate of 1.2%, which is the equivalent of the population increment of a number of countries combined. Besides, India is passing through a transition from unpackaged products to organised brands following increased awareness, education, incomes and lifestyle aspirations. Besides, the introduction of Goods and Service Tax a few years ago narrowed the cost differential between India's organised and unorganised manufacturers, catalysing the shift even further.

Not surprisingly, oils surpassed dairy as India's largest packaged food item a few years ago, catalysed by a deepening consumption in rural India, introduction of small affordable pack sizes and a growing respect for health and wellness.

At Kriti Nutrients, we built our business around the conviction to 'Do Right'. This entailed a commitment to build the business for the long-term. We recognised that if we created a credible brand, we would gain the trust of consumers, translating into repeat consumption. Over the years, we invested in advanced manufacturing technology, corresponding employee training to enhance quality standards, an over-riding corporate discipline to focus on efficient resource conversion (as opposed to seeking trading opportunities), addressing the consumer's specific cooking needs, enhancing the recall for our product and creating a consumer pull benefiting our primary customers (trade partners).

**50%**

Indian population below the age of 26.  
(Economic Times. 19th April 2017)

**29**

Median age of Indians by 2020.

**37**

Median age of China by 2020.

**93%**

of Indians short of their ideal protein requirement

**84%**

of Indian vegetarian diets deficient in protein

**70%**

of Indians suffering from poor muscle development due to protein deficiency

Kriti Nutrients extended beyond these deliverables by exiting commodity cooking media segments marked by a high competition and average realisations. Besides, the company raised its quality benchmark in line with international standards, creating an immediate differentiator with competing local variants.

But more than anything, Kriti Nutrients selected to run a conventional business in a non-conventional way. At a time when it would have been usual to extend into other national geographies and widen our market presence, the company selected to do something contrarian: it focused on existing markets (Madhya Pradesh and Rajasthan), deepened its presence, plugged market gaps, enhanced distribution effectiveness and increase product availability.

This approach is increasingly relevant. Even as we speak, a number of sub-markets are emerging from within our existing markets based on income growth and lifestyle evolution; the markets are growing from within. This is requiring companies like ours to analyse our existing markets, identify and plug distribution gaps, strengthen our dealer presence and ensure that our products are available just where consumers need them. We believe that this approach secures our competitiveness: it creates an entry barrier for competing brands on the one hand and makes it possible to leverage our distribution economies though lower logistics costs related to product delivery on the other.

At Kriti Nutrients, even as we have grown our branded oils business, we



■ ■ ■ ■  
This approach is increasingly relevant. Even as we speak, a number of sub-markets are emerging from within our existing markets based on income growth and lifestyle evolution.



have patiently seeded our business by entering the non-oils segments. We believe that protein-rich soya (our principal resource) holds attractive opportunities in a world where protein has emerged as a dietary preference and the last macronutrient left standing. We feel that there is a vast scope in exploring synergic non-oil growth: 93% Indians, according to an Indian Dietetic Association study, were short of their ideal protein requirement; India's vegetarian diets are 84% protein-deficient; more than 70% Indians suffer from poor muscle development on account of low protein content (Source: *InBody and IPSOS*). Besides, by 2050, an additional 265 million tonnes of protein could be required annually to feed the estimated global population of 9.6 billion (Source: *Bühler*). The implication is that the world needs to increase global protein output by 50%, creating a wider room for plant proteins.

Kriti Nutrients is addressing this widening opportunity. The company is working on the development of value-added protein derivatives with multi-national companies. The company engaged scientists and invested in an innovation centre. We are optimistic that this non-oil business segment could represent an inflection point for the company.

Kriti Nutrients brings to this attractive space a long-standing sectorial presence, competitiveness, credible Balance Sheet, brand credibility, modern manufacturing facility and a commitment to do 'Do Right'.

During the last financial year, the Company's income increased 7.7% to C523.66 crore, EBITDA margin of 5.15% translated to EBITDA of C26.99 crore and profit after tax increased 12.12% to C19.00 crore. As a validation of our 'Do Right' commitment, the company was awarded the *Business Today* Business Leadership Award in 2019-20.

I am optimistic that given the national and regional opportunity, Kriti Nutrients will enhance value for its stakeholders in a sustainable way.

Shiv Singh Mehta, *Chairman & Managing Director*

**265**  
million tonnes

of additional protein  
required by 2050

**50%**

of additional protein  
required to feed the  
world

**7.7%**

Increase in revenues by  
Kriti Nutrients, 2019-20

# Operational review of the company's performance in 2019-20



A review by Saurabh Singh Mehta, Executive Director

**Q Was the management pleased with the performance of the company during the last financial year?**

**A** From financial perspective, the company reported 7.7% increase in revenues and a 12.12 % increase in Profit After Tax. This financial performance was achieved in a volatile market environment notwithstanding: between mid-December 2019 and mid-February 2020, the sector was marked by volatile movement in realisations with edible oil imports into India subject

to trade embargo and increased customs duty. The result was that loose soya oil appreciated from C750-800/10 kg to C900/10 kg in the space of two months and thereafter declined to its erstwhile level. This increased the quantum of working capital outlay required to sustain the business. Besides, untimely rains in June and July 2019 affected seed output and increased raw material costs. The minimum support price for soya seed increased nearly 10% to C37000 per tonne. This squeeze in raw material costs and volatile realisations affected the

sector's performance and your company was no exception.

**Q How did the company respond to this environment?**

**A** The company deepened its 'Do Right' culture, focusing on high business and material integrity. During the last few years, this was manifested in the company graduating from a trading mindset to one growing its business around branding and distribution. We believe that this transition is important at a time when the marketplace is becoming increasingly competitive and there is a need for a differentiator between companies. To sum it up, one was pleased with the qualitative shift in the organisation though this was not visible in the financials.

**Q What was the highlight of the company's performance during 2019-20?**

**A** The highlight of the year under review was Project Udaan. This project was directed towards transforming the mindset of our sales team from a commodity-driven perspective to a non-commodity way of working. One of the initiatives that the company commenced during the year under review was the Dealer Operating System, which was software provided to our primary customer (dealer) to log transactions with our company. This software empowered dealers through their smartphone or computers to engage with the company as per their convenience: for one, the software liberated the trade partner from a dependence on someone within the company to report the transaction, enhanced systemic transparency, eliminated manual interventions and enhanced the company's differentiation in a generic sector.

**Q** **How did this enhance the company's effectiveness?**

**A** We believe that Project Udaan has not just provided a functional convenience to the trade partner; it has helped the dealer graduate from the functional to the strategic; it has helped the dealer focus on growing the business as opposed to merely maintaining it; it enhanced the dealer's confidence in being a trusted associate of the company. We implemented Project Udaan during the financial year under review by covering more than 100 dealers across five States and are optimistic that benefits will be fully reflected from the current year onwards.

**Q** **What were the other upsides of the company's performance during the financial year under review?**

**A** The other highlight of the company's performance was in its progressive FMCG-isation. In a business largely perceived to be commodity where the ability to trade between price movements of the soybean at one end and process soya oil at the other is often the basis by which companies exist, the company moved to a distribution-led approach. This approach was rooted in our conviction that the gains of the future would largely emerge from an intensive market coverage in a country marked by a large population, wide geographic area and multiple States.

**Q** **How did the company enhance its distribution effectiveness?**

**A** The company responded like an FMCG company would have: it segmented its large markets into smaller ones, allocated market responsibility to specific teams, implemented a more frequent engagement with dealer outlets, quicker delivery of material that made it possible for dealers to stock

less (utilising lower working capital) and a better tracking of sales per dealer. We believe that this intensive approach came at the right time: as packaging is evolving from larger consumer packaging to smaller denominations (15 litres to 5 litres), there is a greater premium for companies like ours to service trade dealers with increasing flexibility and frequency. I am pleased to state that Project Udaan enhanced this sense of urgency, translating into superior service.

**Q** **What are some of the other reasons why this approach was necessary?**

**A** Today's consumer is impatient: even as she may have been a consumer of our edible oil brand for years, there is a possibility that if our product is not available at the dealer for any reason, she will move to another brand. So while we would like to believe that consumer loyalty is alive, there is another perspective that the consumer will shift laterally to alternatives in the event that our brand is not available on the shelf. In view of this, Project Udaan was designed as a defensive response to prevent consumer attrition; besides, the project served as an aggressive measure to maximise shelf presence, shrink the product churn cycle and increase dealer service frequency. We believe that Project Udaan will leverage our presence across nearly 25 years, graduate our positioning towards premium brands and deepen our presence in geographies where we are not comprehensively present.

**Q** **What were the other business-strengthening initiatives of the company in 2019-20?**

**A** The company introduced a new one-litre packaging design and new packaging around festivals to enhance a sense of

consumer excitement. Besides, the company strengthened its market-making activities and launched regular campaigns in Bhopal, Indore and Jabalpur. The complement of these initiatives was a consumer pull that generated more revenues for dealers, which when complemented by the dealer's transactional ease with the company resulted in more predictable and correlated growth.

**Q** **What is the outlook for the company in 2020-21?**

**A** We believe that Project Udaan will be completed across the first half of 2020-21, following which the full benefits will become visible. We believe that in the second half of the current year, the brand visibility will improve, there should be an increased presence in the urban markets of Indore, Bhopal, Jabalpur and Gwalior and the proportion of consumer pack sales should increase to 30% of revenues. We are attractively placed and we possess an installed capacity of 7500 TPM, indicating attractive headroom for sustainable growth.

**Q** **What are the reasons for the company's optimism?**

**A** The demand for our product is inelastic, which indicates that we should grow irrespective of the economic cycle. There is a neat fit between our corporate ideology and our brand personality. There is a revenue and profit visibility derived from a projected 30% increase in processed volume during the current financial year. The principal message that the management wishes to send out is that the company has been engaged in running its business in a branded non-commodity manner until now and the time has come to graduate this commitment to the next level.

# How we are growing our business

## The sectoral context

**Population:** The Indian population is expected to grow from around 1.36 billion to 1.67 billion by 2050. We believe that this population growth will strengthen the demand for protein-rich soybean products

**Increased incomes:** India reported an increase in per capita incomes from C1,14,958 in 2017-18 to C1,26,406 in 2018-19 to C1,35,050 in 2019-20. We believe that this increase in income is inspiring a graduation towards lifestyle options (superior cooking media being one).

**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 a consumption growth of value-added products

**Switch:** The consumption of loose and unbranded products is yielding 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 not just growing but also enhancing their resource quality standards

**Protein gap:** There is a greater respect for the role of protein in modern diets, widening the market for protein-rich soybean 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

**Location:** The company's soybean processing plant is located in Dewas, the soybean-rich belt of Madhya Pradesh (state accounting for around 60% of India's soybean output). The company draws 100% of its raw material from within a radius of 100 kms, saving transportation costs.

**Infrastructure:** The Company consistently invested in one of the most modern soybean processing complexes. This facility (three-stage refining process) delivered a high uptime, operating efficiency and superior product purity

**Market focus:** The company selected to grow its B2C presence in and around Central India, a decision that generated 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 within the same business, addressing B2B and B2C customers, marketing products in a large number of countries (B2B) and more distribution partners (B2C business).

**Value-added:** The company reduced its exposure to the volatile commodity end of the business comprising unbranded soy oil to value-added niches marked by research and value-addition

**Research:** The company strengthened its business through investment in a research centre

**Repeat engagement:** The company increased its wallet share of B2B customers, enhancing business stability and sustainability

**Brand-driven:** The company made consistent investments in its brand, enhancing visibility, consumer traction and a pricing premium

**Quality:** The company's branded edible oil business was benchmarked around European Union quality standards, creating a market differentiator

**Distribution:** 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 2019).

## Outcomes



**Growth:**  
The company grew revenues from C459.21 crore in 2016-17 to C523.66 crore in 2019-20

**Receivables cycle:**  
The company had a comfortable receivables cycle in 2019-20

# Our strategy



## → Strategic focus



Innovate and excel



Cost advantage



## → Key enablers

Nurturing an overarching outperformance culture.  
 Launching customised products.  
 Enhanced edible oil quality around EU standards.

Invested in sizable soybean processing infrastructure.  
 Generated superior economies of scale and operating efficiency.  
 Focused on the premium end of the product pyramid.



## → 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



## → Capitals impacted

Manufactured, intellectual, financial

Financial, intellectual, natural, social and relationship



**Supplier of choice**



**Robust people practices**



Responsible corporate citizenship



**Focus on value creation**

Reinforced high product quality.  
 Customised B2B product around downstream needs.  
 Emerged mission-critical at the customer end in the B2B business.

Employer of more than 230 people (full time and contractual).  
 People engagement marked by delegation, responsibility and accountability.  
 Inspiring workplace marked by training, engagement, appraisal transparency, reward and outperformance.

Responsible corporate citizen.  
 Engaged in community development activities.

Enhanced value through the manufacture of a quality premium products.  
 Grew business around a relatively small Balance Sheet.  
 Business marked by low gearing.

Enhancing revenue visibility through multi-year customer agreements; focusing on a sell-and-make approach

Creating a professional culture seeking overarching excellence in everything the company does

Community engagement, widening prosperity

Customer's needs for a customised high quality product

Intellectual, manufactured, social and relationship

Intellectual, human

Social and relationship, natural

Intellectual, manufactured, social and relationship

# How we enhance value

## Our resources

### Financial capital

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



### Manufactured capital

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



### Human capital

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



### Intellectual capital

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



### Natural capital

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



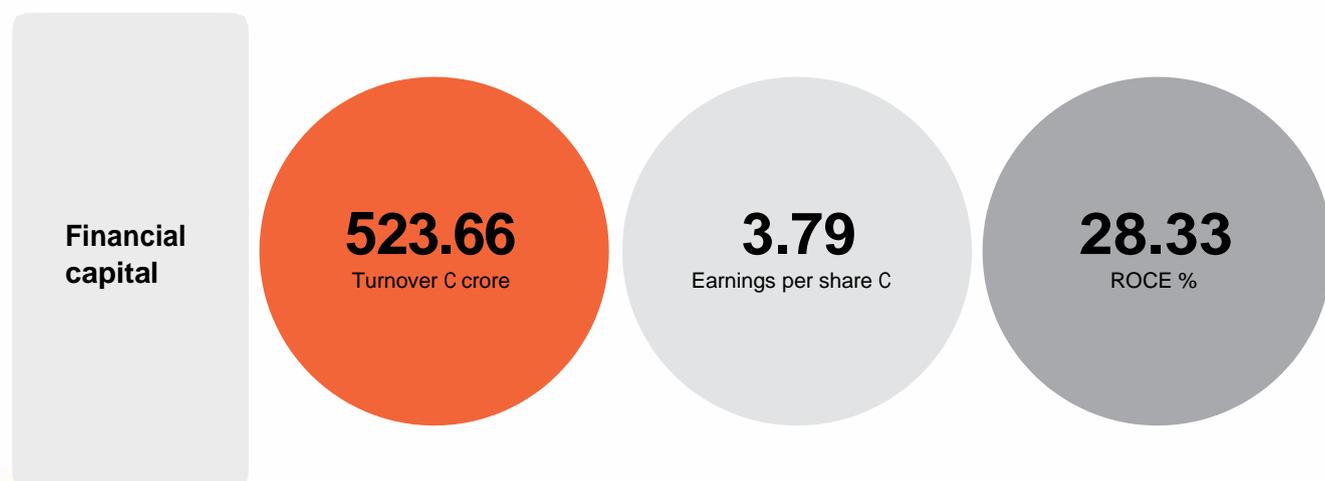
### Social and relationship capital

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



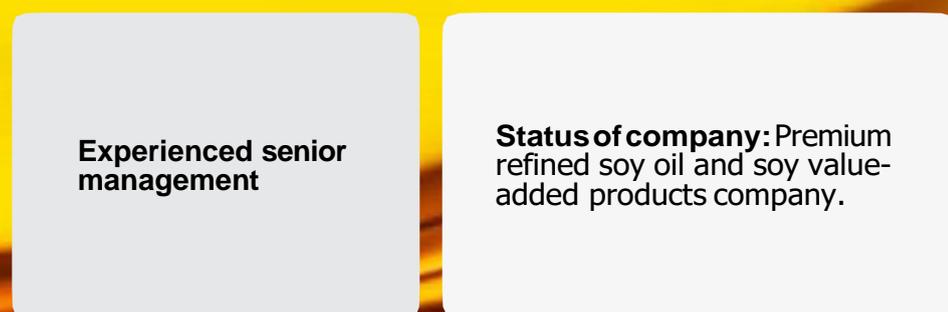
## Value created

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## Intellectual capital

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# Big numbers

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**45%**  
Indian population  
below the age of 25

**28.43**  
Median age of Indians  
by 2020

**38.4**  
Median age of  
China by 2020

**140  
million**  
Number of middle  
class households in  
India by 2025.



**2**

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

**1**

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

**17  
kg**

Average per capita consumption of cooking oils in India in 2018



Before being introduced to the western world in the 20th century, they were an important source of protein for >5,000 years. Soybeans can grow on a variety of soils and diverse climatic conditions, ranging from tropical Brazil to the snowy islands of North Japan.

soybeans contain more protein per acre of land than any other crop. It is considered to be one of the richest and cheapest sources of protein and is a staple diet for people and animals across the globe. The seed comprises around 70% meal (50% protein content) and 17% oil. It is consumed extensively in East Asia in the form of soya milk and tofu, a curd resembling cottage cheese.

Soybeans also provide soya oil, which can be used for cooking or solely as an ingredient. It can be used for the making animal food after removing the oil. Protein powder and isoflavanone supplements can also be made from soya.

Soya is considered to be a complete protein as it contains all nine essential amino acids. It forms an essential part of vegetarian diets. Soybean provides a good source of

### Some health benefits of consuming soybean

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

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.

### Global soybean market overview

The global soybean market was estimated at US\$ 148 – US\$ 150 billion in 2018. Asia Pacific is the geographical leader with a global share of 32-34% as a result of the growing demand for soybean products. Rising awareness among the consumers about environmental sustainability has resulted in soybean replacing dairy products. Soybean is the perfect replacement for dairy as it contains the exact same nutrients.

The total global soybean production was pegged at 336.56 million metric tonnes. Brazil was the biggest contributor with 123 million metric tonnes, closely followed by the United States at 96.62 million metric tonnes.

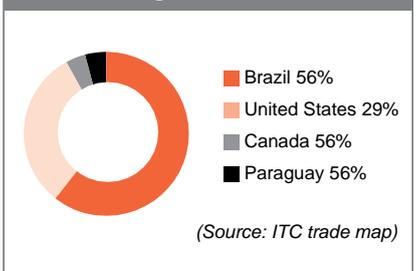
### Top soybean producers in 2019-20

Country	In million metric tonnes
Brazil	123.00
United States	96.62
Argentina	53.00
China	17.10
India	9.00
Paraguay	10.20
Canada	6.00
Mexico	0.22
European Union	2.60
Others	18.28

(Source: The soybean Processors Association of India)

China is the biggest buyer of soybean globally. The US-China trade war was one of biggest factors that led to the United States losing its top position. Prolonged negotiation and additional tariffs imposed by both the governments has resulted in China importing most of its soybean from Brazil. However, there is uncertainty prevailing over the demand from the Chinese market as a result of the coronavirus outbreak there and most cities being on lockdown. In 2018, Brazil was the largest exporter of soybean, accounting for 51% of total exports, closely followed by Argentina, Paraguay and Canada.

Soybean market major exporters, % of share, global 2018



There has been a significant increase in the demand for soybean derivatives as well due to the rising demand for high-protein foods and increasing consumer awareness. The global soybean market itself is projected to grow at a CAGR of 5.76% between 2020-25. Asia-Pacific and Latin America are projected to account for >78% of the global market share by 2025. Rise in incomes and consumer awareness will translate into a higher offtake of nutraceuticals and animal feed segment. (Source: Transparency Market Research, Mordor Intelligence, S&P Global, SOPA)

## Indian soybean market overview

The Indian soybean output was pegged at around 89.94 lakh tonnes in 2019, nearly 18% lower than the previous year's output of 109.33 lakh tonnes. Almost 15-30% of the low-lying areas of Madhya Pradesh and Rajasthan were affected due to water-logging and was one of the major factors for this decline. The average yield for 2019 is pegged at 836 kg/hectare compared to 1,009 kg/hectare in 2018. The total acreage under soybean was pegged at 107.61 lakh hectares, marginally lower than 108.37 lakh hectares in 2018, and was significantly lower than the Agriculture Ministry's figure of 113.99 lakh hectares.

In Madhya Pradesh, yield of soybean was pegged at 40.10 lakh tonnes, a 31% decline compared to 58.18 lakh tonnes in 2018. The acreage also declined by 4% to reach 51.95 lakh hectares compared to 54.10 lakh hectares in 2018. The main districts that were affected by heavy rainfall were Neemuch, Mandsaur and Ratlam.

Areas like Baran, Pratapgarh and Jhalawar also suffered extensive crop damage due to heavy rains in Rajasthan. The total soybean production was estimated at 6.5 lakh tonnes in 2019, a decline of 27.30% from the total yield of 8.94 lakh tonnes in 2018.

Maharashtra is the second largest producer of soybean in India. Despite facing moisture stress due to weak rainfall, the soybean production was pegged at 36.30 lakh tonnes, considerably more than 34.34 lakh tonnes in 2018. The total acreage also increased marginally by 2.7% compared to reach 37.36 lakh hectares in 2019 compared to 36.39 lakh hectares in 2018.

The growth of the Indian soybean industry is likely to be catalysed by the rising awareness about the benefits of a healthy diet. India is the youngest country in the world and the favourable demography is projected to boost the demand for soybean. Soybean is also an

important component of animal feed. The Indian animal feed market was pegged at C400.5 billion in 2018 and is further projected to grow at a CAGR of 14.3% during 2019-2024 to reach a market value of 898.5 billion by 2024, which will eventually drive the demand for soybean. (Source: *The Hindu Business Line, Market Reports on India, SOPA, Business Wire*)

## Government initiatives

- ∞ Through the Agriculture Export Policy, 2018, the Government plans on increasing its agricultural exports to >US\$ 60 billion by 2022
- ∞ Through the Krishi Udan Scheme, the Government aims to boost exports in both international and domestic routes, improving value realisations in northern and tribal districts
- ∞ An allocation of C2.83 lakh crore has been made for agriculture and irrigation. An allocation of C1.23 lakh crore has been made for rural development and Panchayati Raj. Allocation of C8,363 crore for the Department of Agricultural Research and Education. Allocation of 1.34 lakh crore for the Ministry of Agriculture and Farmers' Welfare.
- ∞ Expanded the NABARD Refinancing Scheme and agri-credit has been set at C15 lakh crore while MGNREGS will be used to develop fodder farm
- ∞ Proposed irrigation measures to improve the situation of 100 water-stressed districts
- ∞ The government focuses on zero-budget farming; it is setting up Kisan Rail to facilitate the delivery of perishable goods; viability gap funding will be provided the government for setting up warehouses in 2020-21
- ∞ The government will work closely with State Governments to ensure that farmers benefit from e-NAM. (Source: *IBEF, Business Today*)

## Growth drivers

**Rising incomes:** The nominal per-capita net national income during 2019-20 is estimated at C1,35,050, a rise of 6.8% compared to C1,26,406 during 2018-19. (Source: *MoSPI*)

**Favourable policies:** The implementation of favourable policies by the government will directly benefit the agricultural sector and exports.

**Demographic dividend:** India's population 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 awareness:** People are becoming more health-conscious and rising awareness about the nutritional value of soybean could drive that demand.

## Growth of the animal feed market:

The Indian animal feed market is projected to reach a market value of 898.5 billion by 2024. Soybean is a major component of animal feed and it would catalyse the demand for soybean

**Vegan revolution:** India has been going through a vegan revolution for the past couple of years. Endorsement of vegan-diet and alternatives by top athletes and influencers have led to more people converting to veganism. This trend is expected to continue and could drive the demand for soybean products.

## The Company's overview

The Company is engaged in the business of processing soybean, 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 is 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.

**Certifications:** FSSC 22000, Non GMO, GMP+, RTRS, HALAL, KOSHER >>>

In 2019-20, the Company derived 82% of its revenues from domestic sales and 18% from exports. The Company derived its domestic revenues from B2C sales and export revenues from B2B customers, with whom the Company has developed a long-standing relationship with over the years.

## Financial performance

**Revenues:** Revenue during the year stood at C523.66 crore, increased by 7.7% compared to C486.22 crore in FY2018-19.

**Interest and finance costs:** Net interest and finance costs decreased by 29.7% during the year due to performance.

**Profit after tax:** The Company registered a profit after tax of C19.00 crore as compared to C16.95 crore in the previous year.

## Business strategy and outlook

The company intends to process a larger volume of soybean, produce more oil and deepen distribution to be able to stock products where consumers need them. Besides, the company intends to strengthen its value-added products business through product development.

## Threats

- ∞ Unfavourable weather conditions could affect production
- ∞ Uncertainty over the demand and supply of soybean could affect profitability
- ∞ Outbreak of coronavirus could affect exports

∞ Rupee volatility could threaten the exports business

## Opportunities

- ∞ Government's focus on agriculture could enable businesses to flourish
- ∞ Increasing demand for products like milk, eggs, meat, etc., could lead to increasing demand for animal feed, which, in turn, could drive the demand for soybean
- ∞ The fitness revolution in India could drive the demand for soybean products because of its nutritional values
- ∞ Proper marketing of the products could affect offtake

## Information and technology

The Company invested extensively in Information Technology (IT) to enhance the 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 it is 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 230 as on 31st March 2020.

## 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.

## Key numbers

Particulars	2018-19	2019-20
Revenue (C crore)	486.22	523.66
Debt-equity ratio	0.00	0.00
Return on equity (%)	24.53	21.56
Book value per share (C)	13.79	17.30
Earnings per share (C)	3.38	3.79

# NOTICE

**NOTICE** is hereby given that the **24th Annual General Meeting (AGM)** of the Members of Kriti Nutrients Limited will be held on Saturday, the **8th Day of August, 2020** at **5:00 PM** through Video Conferencing 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, 2020, the Statement of Profit & Loss, Cash Flow, Change in Equity and notes thereto of the Company for the Financial Year ended 31st March 2020 and the reports of the Board of directors and Auditors thereon as on that date.
2. To consider and declare dividend on the equity shares of Re.1/- each for the Financial Year ended 31st March, 2020.
3. To appoint a director in place of Mr. Saurabh Singh Mehta (DIN: 00023591) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Shiv Singh Mehta (DIN:00023523) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

## **SPECIAL BUSINESS**

### **5. 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 C30,000 (Rupees Thirty Thousand Only), plus applicable taxes and reimbursement of out of pocket expenses at actuals to Mr. S.P.S Dangi, Cost Accountant, (Registration No. 100004) appointed by the Board of Directors of Company 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, 2021.”

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

### **6. TO GIVE AUTHORITY TO MAKE LOANS, GIVE SECURITY OR PROVIDE CORPORATE GUARANTEE UNDER SECTION 185 OF THE COMPANIES ACT, 2013**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Special Resolution** for authority to the Board to make loans, give security or provide corporate guarantee to companies/ body corporate in which directors are concerned or interested under section 185 of the Companies Act, 2013:

**“RESOLVED THAT** pursuant to provisions of section 185 read with section 186 and 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment, modification or re-enactment thereof) the approval of Members of the Company, be and is hereby accorded for authority to the Board of directors and/ or committee thereof for providing any advance(s), loan(s), any loan represented by book debts, and/ or to give guarantee or to provide any security on the assets of the Company in connection with loan taken by the companies/bodies corporate in which any director of the company is directly or indirectly concerned and/or interested from time to time subject to the maximum amount of Loans/ Advances and or guarantee and securities not exceeding **K25.00 crores (K Twenty Five Crores)** at any point of time at an interest rate as may be mutually agreed.”

Date: 29th June, 2020

Place: Indore

**Kriti Nutrients Limited**

CIN: L24132MP1996PLC011245

**Registered Office:**

Mehta Chamber, 34 Siyaganj,

Indore-452007

By order of the Board

**Sachin Upadhyay**

Company Secretary & Compliance officer

ACS 54756

## 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, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) beheld 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, Scrutinisers, 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 and 5th May, 2020 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](http://www.bseindia.com) and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility and providing necessary platform for Video Conference/OAVM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
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 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 5th May, 2020.
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 May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website - <http://kritinutrients.com/>, websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of NSDL <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. April 1, 2020 and the Company shall be required to deduct tax at source from dividend paid to shareholders at the prescribed rates. 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 is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [cs@kritiindia.com](mailto:cs@kritiindia.com) by 11:59 p.m. IST on August 4, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [cs@kritiindia.com](mailto:cs@kritiindia.com). The aforesaid declarations and

documents need to be submitted by the shareholders by 11:59 p.m. IST on August 4, 2020.

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.

Register of Members and Share Transfer Books of the Company will remain closed from Sunday, 2nd August, 2020 to Saturday, 8th August, 2020 (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 1st August, 2020 (Saturday).

12. CS Ishan Jain, Practicing Company Secretary (F. R. No. I2014MP1139600, 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.
13. 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.
14. 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
15. 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.
16. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Board Report.
17. 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 24th AGM. Members seeking to inspect such documents can send an email to cs@kritiindia.com.
18. 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 2012-13) 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.
19. 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 .
20. 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 31.03.2020 (C)
2012-13	14/09/2013	21/10/2020	114754.62
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

21. 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 5th August, 2020 (Wednesday) and ends on 7th August, 2020 (Friday). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) 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
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- (iv) Click on "Shareholders" module
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) 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 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant the first two letters of their name and the 8 digits of the sequence number in the PAN field.
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. 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).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
  - (x) 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.
  - (xi) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (xii) Click on the EVSN for the relevant Kriti Nutrients Limited on which you choose to vote.
  - (xiii) 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.
  - (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (xv) 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.
  - (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
  - (xviii) 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.
- Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from respective store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

22. 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:

- i). 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 [cs@kritindia.com](mailto:cs@kritindia.com) / [rtaindore@gmail.com](mailto:rtaindore@gmail.com).

- ii). 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 [cs@kritindia.com](mailto:cs@kritindia.com) / [rtaindore@gmail.com](mailto:rtaindore@gmail.com).
- iii). The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

23. Instructions for shareholders attending the AGM through VC/OAVM are as under:

- i). Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed
- ii). Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- iii). Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv). 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.
- v). 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 at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@kritindia.com](mailto:cs@kritindia.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@kritindia.com](mailto:cs@kritindia.com) (company email id). These queries will be replied to by the company suitably by email.
- vi). Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

24. Instructions for shareholders for E-Voting during the AGM are as under:-

- i). The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii). 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.

- iii). 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.
- iv). Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

25. Note for Non – Individual Shareholders and Custodians

- i). Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- ii). A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- iii). 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.
- iv). The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- v). 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.
- vi). Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@kritindia.com](mailto:cs@kritindia.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

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](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

- 26. 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).

27. 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. 1st August, 2020 (Saturday), may obtain the login ID and password by sending a request at [rtaindore@gmail.com](mailto:rtaindore@gmail.com).
28. 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. 1st August, 2020 (Saturday) only shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM.
29. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow e-voting to all those members who are present/logged in at the AGM but have not cast their votes by availing the remote e-voting facility.
30. 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 authorized by him in writing. The results shall also be immediately forwarded to the BSE Ltd.
31. 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](mailto:ankit_4321@yahoo.com), [info@ankitonline.com](mailto:info@ankitonline.com)
32. As the 24th AGM is being held through VC, the route maps is not 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. Saurabh Singh Mehta	Mr. Shiv Singh Mehta
DIN	00023591	00023523
Date of Birth	29.07.1981	03.03.1954
Date of Appointment	26.12.2009	04.09.2015
Qualification	BE, MBA	B.E., MBA
2016-17	12/09/2017	243547.32
Expertise in specific area	Administration, Marketing & IT	Finance, Marketing, Technical and Business Administration
List of Outside Directorship held	Kriti Industries (India) Limited, Kriti Auto & Engineering Plastics Private Limited, Sakam Trading Private Limited, Kriti Specialties Private Limited	Sakam Trading Private Limited, Rajratan Global Wire Limited, Kriti Industries (India) Limited, Organization of Plastics Processors of India, Kriti Auto & Engineering Plastics Private Limited
Chairman / Member of the Committees of the Board of Directors of the Company	Chairman:-Nil Member:- 1. Corporate Social Responsibility	Chairman:-Nil Member:- 1. Stakeholder Relationship Committee
No. of Equity Shares held	30,440	20,40,312

#### Brief Resume

##### 1. Shri Shiv Singh Mehta:

Mr. Shiv Singh Mehta holds a Bachelor degree in Electrical Engineering and Masters Degree in Business Administration is the founder, core promoter 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 C1000 crore.

##### 2. Shri 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 10 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. 5:

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 2020-21 on the remuneration of C30,000/-, plus applicable taxes and reimbursement of out of pocket expenses at actual.

Consent Cum Declaration issued by the above Auditor regarding his consent and eligibility for appointment as Cost Auditor will be available for inspection of the Members electronically during the 24th 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. 5 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. 6:

Your Board of directors would like to inform the members that, the company at the Extra-Ordinary General Meeting held on 18th March, 2019 has approved the resolution pursuant to section 185 of the Companies Act, 2013 as amended from time to time for empowering the Board of Directors of the company to give advances, loans including any loan represented by book debts or give any guarantee or provide any security in connection with any loan taken by any company and/or body corporate in whom any or all the director(s) of the company are considered as directly/ indirectly concerned or interested for C12.00 Crore (C Twelve Crores).

The Board considered that it may need to provide the advances, loans or to provide guarantee or security on their behalf as under

Sr. No.	Name of the Company /Body Corporate in which directors are interested	Maximum amount upto which loan/ guarantee/ security may be provided by the company.
1.	Kriti Industries (India)Limited	C25 Crores
2.	Kriti Auto & Engineering Plastics Private Limited	
3.	Kriti Specialities Private Limited	
4.	Chetak Builders Private Limited	

However, before providing aforesaid loans, advances or guarantee and securities the Board shall ensure that:-

- 1) The said loan will be used by entities in their normal course of business.
- 2) Compliance under section 186 and 188 of the Companies Act, 2013;
- 3) The related entity will check their limit as prescribed under section 180 of the Companies Act, 2013 if applicable

In view of the requirements of other companies or the body corporates in which one/or more directors may be concerned or interested, may be required to provide/extend its financial support by way of providing short term or long term loans, advances and/ or to provide guarantee or security on the assets of the Company on behalf of such companies/body corporate to such other bank/

financial institution which provides loans and advances whether fund based or non-fund based credit facilities as the case may be from time to time in view of the business requirements of such companies to support them due to which your Board of Directors proposes to increase this limit of C12.00 Crores (C Twelve Crores) to C25.00 Crores (C Twenty Five Crores)

Shri Shiv Singh Mehta, Chairman and Managing Director, Shri Saurabh Singh Mehta, Whole Time Director and Smt. Purnima Mehta, Director of the company case may be deemed to be concerned or interested financially to the extent of the loans, advances, guarantee or securities if any as may be furnished by the Company.

The Board of directors recommends the aforesaid Special Resolution set out at Item No 6 of the Notice for approval by the shareholders.

Date: 29th June, 2020  
Place: Indore  
**Kriti Nutrients Limited**  
CIN: L24132MP1996PLC011245  
**Registered Office:**  
Mehta Chamber, 34 Siyaganj,  
Indore-452007

By order of the Board  
  
**Sachin Upadhyay**  
Company Secretary & Compliance officer  
ACS 54756

# DIRECTORS' REPORT

## Dear Members,

Your Directors are pleased to present their 24th Annual Report on the affairs of the Company together with the Audited Financial Statements for the Financial Year ended on 31st March, 2020.

## FINANCIAL HIGHLIGHTS

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

PARTICULARS	(C in Lakhs)	
	2019-20	2018-19
Revenue from Operations	52037.79	48,522.77
Other Income	328.48	99.33
Total Revenue	52366.27	48622.10
Operating Expenses	49666.47	45434.93
EBITDA	2699.8	3187.17
Finance Cost	169.76	241.49
Depreciation	304.47	268.01
Profit/ (Loss) before Tax	2225.57	2677.67
Tax Expenses	325.06	982.59
Profit/ (Loss) after Tax	1900.51	1695.08

## OPERATIONAL PERFORMANCE

During the Financial Year ended on 31st March, 2020, your Company has achieved an operational turnover of C52037.79 Lakhs as against an operational turnover of C48,522.77 Lakhs in the previous Financial Year, registering a growth of 7.24% and the Profit after Tax is C1900.51 Lakhs as against Profit after Tax of C1695.08 Lakhs in the previous Financial Year registering a growth of 12.12%.

Exports could not be made in last week of March, 2020 and there was fall in commodity prices.

## COVID-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees and on minimizing disruption to services for all our customers globally. Since the Company is the manufacturer of soya edible oil and soya protein products, it was allowed to operate the plant in lockdown. However, workers attendance was very low due to restrictions on movements. Resulting, part working of the plant initially effected and the same is being improved gradually. The Plant is operating with complete compliance of all directives related to maintaining of Social Distancing and mandatory to wear face mask and have proper sanitizations.

The Company's business in the domestic edible oil market is not expected to impact much. However, export of the company's products have been impacted adversely. Thus, impacting Companies profitability to some extent though, your board is confident about the adequate management of the liquidity position of the Company and its ability to meet its obligations in the ordinary course of business.

## DIVIDEND

Your directors pleased to recommend a dividend @ 18% (C0.18/-per equity shares of Re. 1/- each on 50103520 Equity Shares) for the Financial Year 2019-20 aggregating to C90.18 Lakhs payable to those Shareholders whose names appear in the Register of Members as on the Book Closure / Record Date. Members are requested to note that, pursuant to Finance Act, 2020, dividend, if any, declared by the

Company will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company shall be required to deduct tax at source from dividend paid to shareholders at the prescribed rates as notified by the Finance Act, 2020.

### 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 C150 Lakhs (Previous year C150 Lakhs) to the general reserves.

### SHARE CAPITAL

The paid-up Equity Share Capital as on 31st March 2020 was C501.04 Lakhs divided into 50103520 equity shares of Re. 1/- each. There is no change in Equity Share Capital of the Company during the year.

### 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 unclaimed deposits as on 31st March, 2020. Further, the Company has not accepted any deposit or loans in contravention of the provisions of the Chapter V of the Companies Act, 2013 and the Rules made there under.

S. No.	Particulars	Amt in C
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.

Further your Company is in process to file Form DPT-3 for the F.Y. ended on 31.03.2020 for the amount received by the Company which is not under the purview of section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### DIRECTORS

The Members at the 23rd Annual General Meeting of the Company held on 14th August, 2019, pursuant to the provisions of section 152 approved the appointment of Mrs. Purnima Mehta (00023632), Director, who was liable to retire by rotation and being eligible offered herself for reappointment.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Shiv Singh Mehta (DIN: 00023523), Managing Director and Mr. Saurabh Singh Mehta (DIN 00023591), Whole-time Director of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered themselves for re-appointment.

Also the members at the 23rd Annual General Meeting, have re-appointed Mr. Saurabh Singh Mehta as the Whole-time Director of the Company for a term of 3 years w.e.f 1st August, 2019 to 31st July, 2022.

In accordance with the provisions of section 149, 152 and schedule IV of the Companies Act, 2013, Mr. Chandrasekharan Bhaskar, who

was appointed as the additional director on 16th May, 2019 was appointed as an Independent Director of the Company by the members in the 23rd Annual General Meeting for a term of five consecutive years.

Mr. Bhuwanesh Shastri has resigned from the post of Independent Director w.e.f. 20.04.2019.

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

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.

#### KEY MANAGERIAL PERSONNEL

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

- Mr. Shiv Singh Mehta (DIN 00023523), Chairman & Managing Director,
- Mr. Saurabh Singh Mehta (DIN 00023591), Whole-time Director,
- Mr. Suresh Chandra Jajoo, Chief Financial Officer,

- iv) Mr. Vijay Khandelwal, Company Secretary and Compliance Officer (ceased w.e.f. 4th June, 2019).
- v) Mr. Sachin Upadhyay, Company Secretary and Compliance Officer (appointed w.e.f. 2nd November, 2019).

There is no change in the KMPs of the Company except the resignation and appointment of the Company Secretary and Compliance Officer during the period under review.

### BOARD EVALUATION

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

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

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

### MEETINGS

During the year total four (4) Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### NOMINATION & REMUNERATION POLICY

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

### COMMITTEES OF THE BOARD:

In accordance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and other purposes 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 under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 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 attach Form AOC-II with this report.

Separate disclosure as per regulation 34(3) and 53(f) 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 is stated in Annexure A as 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.

## 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 Secretarial Auditor of the Company 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 Practising 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, 2020, 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 31 March, 2020 and of the statement of profit and loss 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.

### **EXTRACT OF ANNUAL RETURN**

The particulars forming part of the extract of the Annual Return in Form MGT - 9 is annexed to this report as "Annexure E" and the copy of the Annual return of the Company is placed on the company's website-<http://kritinutrients.com/>.

### **AUDITORS AND THEIR REPORT**

The Shareholders at their 20th Annual General Meeting (AGM) held on 11th August, 2016 had approved the appointment of M/s. R.S. Bansal & Co., Chartered Accountants (FRN: 000939C), Indore Statutory Auditors of the Company to hold office of the Auditors for a term of 5 years from the conclusion of 20th AGM till the conclusion of 25th Annual General Meeting.

The Auditors Report and the Notes on financial statement for the year 2019-20 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 maintain 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 Board has appointed Mr. SPS Dangi, Cost Accountant, (FRN 100004) Indore to conduct the Audit of the Cost Accounting records for the financial year 2019-20. The Company is in process to file the Cost Audit Report for the year 2019-20 to the Central Government. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark which needs further clarification by the management of the Company.

The Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 29th June, 2020 has re-appointed Mr. SPS Dangi as the Cost Auditors of the Company, to conduct the Audit of the Cost Accounting records for the financial year 2020-21. 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 required ordinary resolution for ratification remuneration payable to Mr. SPS Dangi, Cost Auditors for the financial year 2020-21 in the ensuing Annual General Meeting as set out in the Agenda Item of the Notice.

### **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 appointed M/s. Kaushal Agrawal & Co., Company Secretaries, Indore to conduct Secretarial Audit for the financial year 2019-20. The Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 29th June, 2020 has appointed M/s. Kaushal Agrawal & Co., Company Secretaries to conduct Secretarial Audit for the financial year 2020-21.

The Secretarial Audit Report for the financial year ended 31st March, 2020 in Form MR-3 is attached as "Annexure F" and forms part of this Report. The observations made by secretarial auditor in their audit report are self explanatory; hence no further explanation is required.

### **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 2012-13 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/>

### **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 is no complaint 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:

- a) The Company has not issued shares (including sweat equity shares) to employees of the Company under any scheme.
- b) Neither the Managing Director nor the Whole-time Directors receive any remuneration or commission from its subsidiary.
- c) The Company has complied with the applicable Secretarial Standards under the Companies Act, 2013.

- d) There have been no material changes and commitments affecting the financial position of the Company which have occurred between financial year ended on 31st March, 2020, 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

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

Date: 29th June, 2020  
Place: Indore

## ANNEXURE - A

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programme:

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.

### Objective of the Policy:

- Lay down the broad guidelines for the Company to undertake its CSR projects / programme / activities;
- set up the approach of the Company towards the CSR initiatives;
- define the CSR activities that the Company undertakes to carry out and
- fix the timelines, monitoring and implementation mechanism with respect to CSR activities.

The CSR Policy of the Company is available on Company Website at: <http://kritinutrients.com/>.

### 2. The Composition of CSR Committee is as follows:

- Mrs. Purnima Mehta, Chairperson
- Mr. Saurabh Singh Mehta, Member
- Mr. Rakesh Kalra, Member

### 3. Average Net Profit of the Company for last three financial years: ₹2051.22 lakhs

### 4. Prescribed CSR Expenditure

(two percent of the average Net Profit of the Company for the last three financial years): ₹41.02 Lakhs

### 5. Details of CSR expenditure for the financial year 2019-20:

- Previous unspent amount (upto 2018-19) : ₹46.52
- Amount required to be spent for the year 2019-20 : ₹41.02
- Total Amount to be spent till 31.03.2020 : ₹87.54
- Total amount spent during the financial year : ₹11.00 Lakhs
- Amount remains unspent upto 31.03.2020, if any : ₹76.54 Lakhs
- Manner in which the amount spent during the financial year 2019-20 is detailed below:

Sr. No	Projects / Activities	Sector in which the Project is covered	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: *Direct or through implementing agency
1	Donation to Bhagwan Mahaveer Relief Foundation Trust	Relief and welfare of minorities	1100000	1100000	1100000
	Total		1100000	1100000	1100000

6. In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

The Company is looking for suitable proposal to spend the above CSR amount.

7. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:

The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Policy and Objectives of the Company.

Date: 29th June, 2020  
Place: Indore

**Purnima Mehta**  
Chairperson - CSR Committee  
(DIN: 00023632)

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

## 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, 2020.

**1. Ratio of remuneration of each Director and KMPs to the median remuneration of the employees of the Company for the financial year 2019-20.**

S. No	Name	Designation	Remuneration for the year 2019-20 (C in lakhs)	Remuneration for the year 2018-19 (C in lakhs)	Increase In Remuneration (C in lakhs)	Percentage of Increase In Remuneration	Ratio Between Director 's Remuneration and Median Employee Remuneration
1	Mr. Shiv Singh Mehta	Chairman & Managing Director	-	-	-	-	-
2	Mrs. Purnima Mehta	Director	-	-	-	-	-
3	Mr. Saurabh Singh Mehta	Whole-time Director	113.82	82.88	30.94	37.33	57.64
4	Mr. Rakesh Kalra	Independent Director	-	-	-	-	-
5	CA Manoj Fadnis	Independent Director	-	-	-	-	-
6	Mr. Chandrasekharan Bhaskar	Independent Director	-	-	-	-	-
7	Mr. Vijay Khandelwal	CS (upto 04.06.2019)	0.66	3.96	(3.3)	-	0.33
8	Mr. S.C. Jajoo	CFO	27.73	27.15	0.58	2.14	14.04
9	Mr. Sachin Upadhyay	CS (w.e.f 02.11.2019)	2.06	-	-	-	1.04

2. The percentage increase in the median remuneration of employee(s) in the financial year 2019-20: 8%

3. The number of permanent employees on the role of the Company as on 31st March, 2020: 230

4. 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:

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.

5. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

The Company affirms that remuneration is as per the remuneration policy of the Company:

6. **Details of employees who received remuneration in excess of K One crore and Two lakh or more per annum:**

- i. During the year, none of the employees received remuneration in excess of C102.00 Lakh or more per annum or C8.50 per month for part of the year. In accordance with the provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, therefore there is no information is available to disclose.
- ii. During the year, none of the employees received remuneration in excess of that drawn by the Managing Director or Whole-time director and none of the employees hold two percent of the equity shares 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. Installation of variable frequency drives on all Induced & forced draft Motors to reduce electricity consumption resulting in 22% saving on power.
2. Steam Auditing is in process for evaluation of adequate sizing of condensate line & usage of condensate in process by external competent agency to identify the areas of improvement & reduction in annual coal consumption.
3. Replacement of old insulation of steam piping by resulting in 1% saving in annual coal consumption.
4. Installation of variable frequency drives on Motors above 15HP in Edible Oil Refining to reduce electricity consumption resulting in 9% saving on power.
5. Installation of PHE in Edible oil Refinery for heat recovery from Deodorized oil & raise the temperature boiler feed water resulting in 0.6% saving in annual coal consumption.
6. Replaced all conventional lights from ware house & process area by LED lights resulting in 40% saving in power consumption.

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

Approx. 20 Lacs unit generated from solar power by using open power supply.

##### 3) Capital investment on energy conservation equipment: Approx C7.00 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 following technology imported:

Sr. No	Details of the technology imported	Year of import	Whether the technology has been fully absorbed	If not fully absorbed, reasons thereof
1.	Edible oil refining technology to meet European norms	2018	Yes	NA
2.	Product sizing technology to meet Granualomatry of the Product	2019	Yes	NA
3.	No technology imported	2020	NA	NA

4) Expenditure incurred on Research and Development: Nil

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

The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Policy and Objectives of the Company.

Sr. No	Particulars	earned/spent in FY 2019-20.	earned/spent in FY 2018-19
1.	Foreign Exchange earned in terms of Actual Inflows	9369.37	8637.19
3.	Foreign Exchange spent in terms of Actual Outflows	56.4	56.50

## 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  
Chetak Chambers 4th Floor, 14 RNT Marg, Indore - 452001  
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  
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 authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.

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

## 11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

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

## 12. COMMUNICATION

- 12.1. A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the company.

## 13. RETENTION OF DOCUMENTS

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

## 14. ADMINISTRATION AND REVIEW OF THE POLICY

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

## 15. AMENDMENT

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

## ANNEXURE - E

### Form No. MGT-9 - EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020

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

#### I. REGISTRATION AND OTHER DETAILS:

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

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacture of non-defatted flour or meals of oilseeds, oilnuts or kernels Soya Lecithin Flakes & Flour	10407	28.00%
2.	Manufacture of vegetable oils and fats excluding corn oil Soya Crude / Refined Oil	10402	72.00%

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

Sr. No	Name Of The Company	Cin/ Gln	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Sakam Trading Private Limited	U65993MP1986PTC003517	Holding	52.09	2(46)

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity):

##### 1. Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoter &amp; Promoter Group</b>										
(1) Indian										
a) Individual / HUF			2300047	-	2300047	4.59	2321297	-	2321297	4.63
b) Central Govt.			-	-	-	-	-	-	-	-
c) State Govt.(s)			-	-	-	-	-	-	-	-
d) Bodies Corporate			30811306	-	30811306	61.50	30922224	-	30922224	61.72
e) Banks / FI			-	-	-	-	-	-	-	-

Category of Shareholder	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):</b>	<b>33111353</b>	-	<b>33111353</b>	<b>66.09</b>	<b>33243521</b>	-	<b>33243521</b>	<b>66.35</b>	<b>0.26</b>
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>33111353</b>	<b>-</b>	<b>33111353</b>	<b>66.09</b>	<b>33243521</b>	<b>-</b>	<b>33243521</b>	<b>66.35</b>	<b>0.26</b>
<b>B. Public Shareholding</b>									
<b>1 Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	2481	-	2481	0.00	2542	-	2542	0.00	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FPIs	91911	-	91911	0.18	-	-	-	-	(0.18)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>94392</b>	<b>-</b>	<b>94392</b>	<b>0.18</b>	<b>2542</b>	<b>-</b>	<b>2542</b>	<b>0.00</b>	<b>(0.18)</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	2700594	4800	2705394	5.40	2652994	4800	2657794	5.30	(0.10)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto C2 lakh	7430752	1572680	9003432	17.97	7186082	1359280	8545362	17.06	(0.91)
ii) Individual shareholders holding nominal share capital in excess of C2 lakh	4045222	-	4045222	8.07	4320545	-	4320545	8.62	0.55
c) Others (NRI & OCB)	245918	-	245918	0.49	312478	-	312478	0.62	0.13
d) Clearing Member	11239	-	11239	0.02	9945	-	9945	0.02	-
e) IEPF, MCA	886570	-	886570	1.77	1011333	-	1011333	2.02	0.25
<b>Sub-total (B)(2):-</b>	<b>15320295</b>	<b>1577480</b>	<b>16897775</b>	<b>33.73</b>	<b>15493377</b>	<b>1364080</b>	<b>16857457</b>	<b>33.65</b>	<b>(0.08)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>15414687</b>	<b>1577480</b>	<b>16992167</b>	<b>33.91</b>	<b>15495919</b>	<b>1364080</b>	<b>16859999</b>	<b>33.65</b>	<b>(0.26)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total(A+B+C)</b>	<b>48526040</b>	<b>1577480</b>	<b>50103520</b>	<b>100.00</b>	<b>48739440</b>	<b>1364080</b>	<b>50103520</b>	<b>100.00</b>	<b>-</b>

## 2. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	SakamTradingPvt.Ltd.	26099473	52.09	-	26099473	52.09	-	-
2	Chetak Builders Pvt. Ltd.	4621833	9.23	-	4732751	9.45	-	0.22
3	Mr. Shiv Singh Mehta	2028899	4.05	-	2040312	4.07	-	0.02
4	Mrs. Purnima Mehta	120692	0.24	-	130529	0.26	-	0.02
5	Kriti Specialities Private Ltd	90000	0.18	-	90000	0.	-	-
5	Mrs. Raj Kumari Kothari	83280	0.17	-	83280	0.17	-	-
6	Mrs. Devki Mehta Hirawat	36736	0.07	-	36736	0.07	-	-
7	Mr. Saurabh Singh Mehta	30440	0.06	-	30440	0.06	-	-
	<b>Total</b>	<b>33111353</b>	<b>66.09</b>	<b>-</b>	<b>33243521</b>	<b>66.35</b>	<b>-</b>	<b>0.26</b>

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

Particular	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	33111353	66.09		
Datewise Increase/ Decrease in Promoters Share holding during the year	Annexure I Enclosed			
At the End of the year	33243521	66.35		

## 4. Shareholding Pattern of top ten

Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year (As on 01.04.2019)		Shareholding at the end of the year (As on 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Chartered Finance and Leasing Limited	2210200	4.41	2210200	4.41
2.	Mr. Pravin Kumar Kasliwal	1401368	2.80	1400368	2.79
3.	Investor Education and Protection Fund Authority	886570	1.77	1011333	2.02
4.	Ms. Jyoti Kasliwal	673335	1.34	672335	1.34
5.	Mr. Rahul Chandrasingh Mehta	639040	1.27	500000	0.99
6.	Mr. Sanjay Kothari	440000	0.88	440000	0.87
7.	Ms. Sheetal Rahul Mehta	416000	0.83	416000	0.83
8.	Ms. Juhi Singhvi	375335	0.75	374335	0.74
9.	Anantroop Financial Advisory Services Private Ltd	300000	0.60	300000	0.59
10.	Ms. Usha Chandrasingh Mehta	239184	0.48	239184	0.47
	<b>Total</b>	<b>7581032</b>	<b>15.13</b>	<b>7563755</b>	<b>15.05</b>

## 5. Shareholding of Directors and Key Managerial Personnel

Sl. No.	Particular	Shareholding at the beginning of the year (As on 01.04.2019)		Changes during the year			Shareholding at the End of the year (As on 31.03.2020)	
		No. of shares	% of total shares of the company	Date	No. of share increased	No. of shares decreased	No. of shares	% of total shares of the company
1.	Mr. Shiv Singh Mehta Chairman & Managing Director	2028899	4.05	11/03/2020 12/03/2020 13/03/2020 18/03/2020 19/03/2020 30/03/2020	1,273 8,000 5 1,000 2,000	(865)	2040312	4.07
2.	Mrs. Purnima Mehta Director	120692	0.24	09/03/2020 11/03/2020 17/03/2020 18/03/2020	5637 2200 1000 1000	-	130529	0.26
3.	Mr. Saurabh Singh Mehta	30440	0.06	-	-	-	30440	0.06
4.	Mr. Rakesh Kalra Independent	-	-					
5.	CA Manoj Fadnis Independent	-	-					
6.	Mr. Bhuwanesh Shastri Independent Director (ceased w.e.f. 20th April, 2019)	-	-				-	-
7.	Mr. Chandrasekharan Bhaskar Independent Director (Appointed w.e.f 16th May, 2019)	-	-				-	-
8.	Mr. Suresh Chandra Jajoo Chief Financial Officer	-	-					
09.	Mr. Vijay Khandelwal Company	-	-				-	-
10.	Mr. Sachin Upadhyay Company	-	-				-	-

## V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(C in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2019)</b>				
i) Principal Amount	1235.56	34.46	-	1270.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (i + ii + iii)</b>	<b>1235.56</b>	<b>34.46</b>	<b>-</b>	<b>1270.02</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	291.96	-	291.96
Reduction	(614.13)	-	-	(614.13)
Net Change	(614.13)	291.96	-	(322.17)
<b>Indebtedness at the end of the financial year (31.03.2020)</b>				
i) Principal Amount	621.43	326.42	-	947.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (i + ii + iii)</b>	<b>621.43</b>	<b>326.42</b>	<b>-</b>	<b>947.85</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(C in Lacs)

Sl. No.	Particulars of Remuneration	Mr. Shiv Singh Mehta Chairman & Managing Director	Mr. Saurabh Singh Mehta Whole Time Director	Total Amount
1.	Gross Salary	-	46.00	46.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-		
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-		
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of Profits	47.82	67.82	115.64
	- others, specify Employers Provident Fund Contribution	-	-	-
	<b>Total(A)</b>	<b>47.82</b>	<b>113.82</b>	<b>161.64</b>

### B. Remuneration to other Directors:

(C in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	<b>Independent Directors</b>	<b>Mr. Rakesh Kalra</b>	<b>CA Manoj Fadnis</b>	<b>Mr. Chandrasekharan Bhaskar</b>	
	Fee for attending Board/ Committee meetings	1.04	1.04	0.60	2.68
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total(1)</b>	<b>1.04</b>	<b>1.04</b>	<b>0.60</b>	<b>2.68</b>
2.	<b>Other Non-Executive Directors</b>	<b>Mrs. Purnima Mehta</b>			
	Fee for attending Board/ Committee meetings		1.04		1.04
	Commission		-		-
	Others, please specify		-		-
	<b>Total(2)</b>		<b>1.04</b>		
	<b>Total(B)=(1+2)</b>		<b>3.72</b>		
	<b>Total Managerial Remuneration(A+B)</b>				<b>165.36</b>

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

(C in Lacs)

Sl. No.	Particulars of Remuneration	Mr. Suresh Chandra Jajoo Chief Financial Officer	Mr. Vijay Khandelwal Company Secretary (up to 04.06.2019)	Mr. Sachin Upadhyay Company Secretary (w.e.f. 02.11.2019)	Total Amount
1.	Gross Salary	27.73	0.66	1.01	29.4
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of Profits	-	-	-	-
	- others, specify	-	-	-	-
	<b>Total(A)</b>	<b>27.73</b>	<b>0.66</b>	<b>1.01</b>	<b>29.4</b>

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

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

For and on behalf of the Board of Directors

Date: 29th June, 2020  
Place: Indore

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

ANNEXURE - I

Change in Promoters Shareholding

S.No.	Name of Promoters	Particulars	As on date	No. of shares held at the beginning of the year		Cumulative shareholding during the year	
				No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1.	<b>Shiv Singh Mehta</b>	At the beginning of the year	01/04/2019	2028899	4.05%		
		Datewise Increase/Decrease in Promoters Share holding during the year	11/03/2020 12/03/2020 13/03/2020 18/03/2020 19/03/2020 30/03/2020	1,273 8,000 5 1,000 2,000 (865)		12,278 (865)	
		At the end of the year	<b>31/03/2020</b>			<b>2040312</b>	<b>4.63%</b>

S.No.	Name of Promoters	Particulars	As on date	No. of shares held at the beginning of the year		Cumulative shareholding during the year	
				No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
2.	<b>Purnima Mehta</b>	At the beginning of the year	01/04/2019	120692	0.24%		
		Datewise Increase/Decrease in Promoters Share holding during the year	09/03/2020 11/03/2020 17/03/2020 18/03/2020	5637 2200 1000 1000		9,837	
		At the end of the year	<b>31/03/2020</b>			<b>1,30,529</b>	<b>0.26%</b>

Purchased on	Op. Balance of shares	% of holding	No. of Shares purchased	% of shares acquired.	Shares after acquisition	Cumulative % of Holding
<b>Balance as on 31.03.19</b>	<b>4,621,833</b>	<b>9.22%</b>	<b>0</b>	<b>0.00%</b>	<b>4,621,833</b>	<b>9.22%</b>
3/4/2019	4,621,833	9.22%	1000	0.00%	4,622,833	9.23%
23/05/2019	4,622,833	9.23%	2000	0.00%	4,624,833	9.23%
24/05/2019	4,624,833	9.23%	2396	0.00%	4,627,229	9.24%
27/05/2019	4,627,229	9.24%	2000	0.00%	4,629,229	9.24%
28/05/2019	4,629,229	9.24%	6000	0.01%	4,635,229	9.25%
29/05/2019	4,635,229	9.25%	2000	0.00%	4,637,229	9.26%
30/05/2019	4,637,229	9.26%	100	0.00%	4,637,329	9.26%
31/05/2019	4,637,329	9.26%	4700	0.01%	4,642,029	9.26%
03/06/2019	4,642,029	9.26%	2000	0.00%	4,644,029	9.27%
04/06/2019	4,644,029	9.27%	2158	0.00%	4,646,187	9.27%
06/06/2019	4,646,187	9.27%	1530	0.00%	4,647,717	9.28%
07/06/2019	4,647,717	9.28%	1011	0.00%	4,648,728	9.28%
10/06/2019	4,648,728	9.28%	2000	0.00%	4,650,728	9.28%

Purchased on	Op. Balance of shares	% of holding	No. of Shares purchased	% of shares acquired.	Shares after acquisition	Cumulative % of Holding
11/06/2019	4,650,728	9.28%	836	0.00%	4,651,564	9.28%
12/06/2019	4,651,564	9.28%	200	0.00%	4,651,764	9.28%
13/06/2019	4,651,764	9.28%	977	0.00%	4,652,741	9.29%
14/06/2019	4,652,741	9.29%	2700	0.01%	4,655,441	9.29%
17/06/2019	4,655,441	9.29%	2500	0.00%	4,657,941	9.30%
18/06/2019	4,657,941	9.30%	2000	0.00%	4,659,941	9.30%
19/06/2019	4,659,941	9.30%	3000	0.01%	4,662,941	9.31%
20/06/2019	4,662,941	9.31%	0	0.00%	4,662,941	9.31%
24/06/2019	4,662,941	9.31%	715	0.00%	4,663,656	9.31%
25/06/2019	4,663,656	9.31%	2673	0.01%	4,666,329	9.31%
28/08/2019	4,666,329	9.31%	2345	0.00%	4,668,674	9.32%
30/08/2019	4,668,674	9.32%	3000	0.00%	4,670,674	9.32%
03/09/2019	4,670,674	9.32%	1000	0.00%	4,671,674	9.32%
05/09/2019	4,671,674	9.32%	5178	0.01%	4,676,852	9.33%
06/09/2019	4,676,852	9.33%	449	0.00%	4,677,301	9.34%
09/09/2019	4,677,301	9.34%	3200	0.01%	4,680,501	9.34%
11/09/2019	4,680,501	9.34%	2000	0.00%	4,681,501	9.34%
12/09/2019	4,681,501	9.34%	2400	0.00%	4,683,901	9.35%
16/09/2019	4,683,901	9.35%	4000	0.01%	4,687,901	9.36%
17/09/2019	4,687,901	9.36%	7897	0.02%	4,695,798	9.37%
18/09/2019	4,695,798	9.37%	136	0.00%	4,695,934	9.37%
19/09/2019	4,695,934	9.37%	2940	0.00%	4,697,934	9.38%
20/09/2019	4,697,934	9.38%	3000	0.01%	4,700,934	9.38%
25/09/2019	4,700,934	9.38%	2000	0.00%	4,702,934	9.39%
26/09/2019	4,702,934	9.39%	1020	0.00%	4,703,954	9.39%
27/09/2019	4,703,954	9.39%	291	0.00%	4,704,245	9.39%
11/11/2019	4,704,245	9.39%	1000	0.00%	4,705,245	9.39%
20/11/2019	4,705,245	9.39%	194	0.00%	4,705,439	9.39%
06/12/2019	4,705,439	9.39%	350	0.00%	4,705,789	9.39%
10/12/2019	4,705,789	9.39%	1000	0.00%	4,706,789	9.39%
11/12/2019	4,706,789	9.39%	2000	0.00%	4,708,789	9.40%
12/12/2019	4,708,789	9.40%	1000	0.00%	4,709,789	9.40%
19/12/2019	4,709,789	9.40%	1000	0.00%	4,710,789	9.40%
20/12/2019	4,710,789	9.40%	1000	0.00%	4,711,789	9.40%
23/12/2019	4,711,789	9.40%	1000	0.00%	4,712,789	9.41%
27/12/2019	4,712,789	9.41%	4000	0.01%	4,716,789	9.42%
19/02/2020	4,716,789	9.41%	1000	0.00%	4,717,789	9.41%
20/02/2020	4,717,789	9.41%	22	0.00%	4,717,811	9.41%
04/03/2020	4,717,811	9.41%	3000	0.01%	4,720,811	9.42%
06/03/2020	4,720,811	9.42%	5000	0.01%	4,725,811	9.43%
09/03/2020	4,725,811	9.43%	4000	0.01%	4,732,751	9.44%

**SECRETARIAL AUDIT REPORT**

**For the financial year ended March 31, 2020**

[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 COVID-19 Pandemic 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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020, 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 on March 31, 2020, 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 COVID-19 Pandemic disclaimer and/ or 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) The company has not expended full amount of CSR required under section 135 of the Act and the amount of C30.02 Lakhs for the current financial year remains unexpended till 31.03.2020. (Amount required to be Spent during the year C41.02 Lakhs and Amount spent during the Year C11.00 Lakhs).
- (ii) Some of the e-Forms /Returns/ information required to file by the company to Registrar /other authorities have filed belatedly with requisite amount of "additional fees" (whether applicable).
- (iii) Since all the observations, reservations etc. given in the Secretarial Audit Report, 2019, as per the management of the company were self explanatory and do not require for any specific comments from the board hence, the company has not provided any comments/ explanation in the Board Report, 2019 with respect to the observations given by the Secretarial Auditors.

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

Place: Indore  
Dated: - 26.06.2020  
UDIN: F004985B000387774

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 country as notified by the Government of India for prevention of COVID-19 which has resulted in many restrictions including free movement of People. Therefore we have not checked Minutes Books, Attendance Registers, and other Statutory Registers as it was not possible to personally visit the office. We have relied on the explanation received from the listed entity either telephonically or electronically.

## 'Annexure -1'

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. (Disclaimer)
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 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.**,  
Practicing Company Secretaries  
CS Kaushal Kumar Agrawal  
M.No. F4985  
C.P. No. 3457

Place: Indore  
Dated: - 26.06.2020  
UDIN: F004985B000387774

# CORPORATE GOVERNANCE REPORT

## I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Kriti Nutrients Limited 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** - such as Audit Committee, Nomination & Remuneration Committee, CSR Committee etc. are focused on financial reporting, audit & internal controls, compliance issues, appointment and remuneration of Directors and Senior Management Employees, implementation and monitoring of CSR activities.
- (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 2019-20, the total Board consists of Six (6) directors, out of which Four (4) are Non-Executive Directors and out of the four (4) Non-Executive Directors three (3) are Independent Director.

The 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 14.08.2019	No. of Directorship in other public Companies As on 31.03.2020	No. of Memberships/ Chairmanship in Committee of Directors in all Companies*		Number of shares held in the Company
							Member	Chairman	
1.	Mr. Shiv Singh Mehta Chairman & DIN: 00023523)	Promoter Executive	4	4	Yes	3	3	0	20,40,312
2.	Mrs. Purnima Mehta Director (Din: 00023632)	Promoter Non-Executive	4	4	Yes	1	4	1	1,30,529
3.	Mr. Saurabh Singh Mehta WTD (DIN: 00023591)	Promoter Executive	4	4	Yes	1	1	1	30,440
4.	Mr. Rakesh Kalra Director (DIN: 00780354)	Independent Non-Executive	4	3	No	4	4	0	Nil
5.	CA Manoj Fadnis Independent Director (DIN: 01087055)	Independent Non -Executive	4	4	Yes	4	4	3	Nil
6.	Mr. Bhuwanesh Shastri *Independent Director (DIN: 00104236)	Independent Non -Executive	0	-	No	-	-	-	-
7.	Mr. Chandrasekharan Bhaskar** Independent Director (DIN: 00003343 )	Independent Non-Executive	3	3	Yes	4	2	1	Nil

\* Mr. Bhuwanesh Shastri resigned w.e.f. 20th April, 2019.

\* Includes only Audit Committee and Stakeholders' Relationship Committee.

S. No.	Name of Director	Name of other Listed entities in which person is Director	Category of Directorship
1.	Mr. Shiv Singh Mehta	Kriti Nutrients Limited	Managing Director, Promoter, Executive
		Rajratan Global Wire Limited	Non-Executive - Independent Director
2.	Mrs. Purnima Mehta	Kriti Nutrients Limited	Non-Executive, Non Independent Director
3.	Mr. Saurabh Singh Mehta	Kriti Nutrients Limited	Whole-time Director, Promoter, Executive
4.	Mr. Rakesh Kalra	Kriti Nutrients 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 Nutrients Limited	Non-Executive - Independent Director
		The Federal Bank Ltd	Non-Executive - Independent Director-Shareholder Director
6.	Mr. Chandrasekharan Bhaskar	Kriti Nutrients Limited	Non-Executive - Independent Director
		Xpro India Limited	Managing Director, Executive

\*\* Mr. Chandrasekharan Bhaskar has been appointed as Independent Director w.e.f. 16th May, 2019.

None of the Directors of the Company are inter-se related to each other except Mr. Shiv Singh Mehta, Chairman & Managing Director, Mrs. Purnima Mehta, Non Executive Director and Mr. Saurabh Singh Mehta, Whole-time Director, who are wife and son respectively of Mr. Shiv Singh Mehta.

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

Mr. Sachin Upadhyay is Company Secretary & Compliance Officer of the Company.

Four (4) meetings of the Board of directors were held during the year ended 31st March, 2020. The dates of the meetings were decided in advance and key information was placed before the Board. The Board Meetings were held on i) 16th May, 2019, ii) 14th August, 2019, iii) 02nd November, 2019, iv) 27th January, 2020.

### 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 specialized knowledge in relation to Company's business.

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

### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has 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 <http://kritinutrients.com/investor-relations/policies>.

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

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

Mr. Bhuwanesh Shastri has resigned from the post of Independent Director w.e.f. 20.04.2019 due to pre-occupation. Further, the Board hereby confirms that in its knowledge there are no other material reasons for his resignation.

**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) 16th May, 2019, ii) 14th August, 2019, iii) 2nd November, 2019, iv) 27th January, 2020.

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 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. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  7. Approval or any subsequent modification of transactions of the Company with related parties;
  8. Valuation of assets of the Company, wherever it is necessary;
  9. Evaluation of internal financial controls and risk management systems;
  10. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  11. 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;
  12. Discussion with internal auditors of any significant findings and follow up there on;
  13. 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;
  14. 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;
  15. To review the functioning of the Whistle Blower mechanism;
  16. Approval of appointment of CFO.
  17. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Review of information by Audit Committee**

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;

3. Management letters/letters of internal control weaknesses issued by the statutory auditors
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. The Audit Committee is also responsible for giving guidance and directions under the SEBI (PIT) Regulations, 2015.
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. Bhuwanesh Shastri*	Member	-
4.	Mr. Chandrasekharan Bhaskar*	Member	1

\*Mr. Bhuwanesh Shastri resigned w.e.f. 20th April, 2019 and the Committee was reconstituted on 14th August, 2019 to include Mr. Chandrasekharan Bhaskar.

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) 16th May, 2019; and 02nd November, 2019.

**At the meeting held on 16th May, 2019, the Committee reviewed and recommended the following:**

- i) Revision in the Remuneration of Mr. Shiv Singh Mehta, Chairman & Managing Director of the Company
- ii) Re-appointment of Mr. Saurabh Singh Mehta as the Whole Time Director of the Company.
- iii) Appointment of Shri Chandransekharan Bhaskar as an Additional Director in Independent Category.

At the meeting held on 2nd November, 2019, the Committee reviewed and recommended the appointment of Mr. Sachin

Upadhyay as Company Secretary & Compliance Officer of the Company w.e.f. 2nd November, 2019.

### Performance Evaluation Criteria for Directors including Independent Directors

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

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

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

#### 1. APPOINTMENT CRITERIA AND QUALIFICATION:

1. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to appointment and remuneration for Directors, Key Managerial Personnel and other senior employees;
2. To formulate criteria for evaluation of the members of the Board of Directors including Independent Directors, the Board of Directors and the Committees thereof;
3. To devise policy on Board Diversity;
4. To identify persons, qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and where necessary, their removal;
5. To formulate policy ensuring the following:
  - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully,
  - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
  - c. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
  - d. Recommendation to the board, all remuneration, in whatever form, payable to senior management.

6. To design Company's policy on specific remuneration packages for Executive/ Whole Time Directors and Key Managerial Personnel including pension rights and any other compensation payment;
7. To determine, peruse and finalize terms and conditions including remuneration payable to Executive/ Whole Time Directors and Key Managerial Personnel of the Company from time to time;
8. To review, amend or ratify the existing terms and conditions including remuneration payable to Executive/Whole Time Directors, Senior Management Personnel and Key Managerial Personnel of the Company;
9. Any other matter as may be assigned by the Board of Directors.

## 2. REMUNERATION:

- a. Remuneration to Managing/ Whole-Time /Executive/ Managing Director:

The Remuneration/ Compensation/ Commission etc. to be paid to Director/Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

- b. Remuneration to Non-Executive/Independent Director:

The Non-Executive/Independent Director may receive remuneration/ compensation/ commission as per the provisions of the Companies Act, 2013. The amount of sitting fees shall be subject to limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

- c. Remuneration to KMP (except MD/WTD) and Senior Management Personnel:

- i) The remuneration for KMP (except WTD/MD) and Senior Management Personnel is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions.

- ii) The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.
- iii) The annual increments to the remuneration paid to KMP (except MD/WTD) and Senior Management Personnel shall be determined based on their performance as reviewed by the committee.

## 3. TERM:

- a. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time subject to the approval by way of ordinary/special resolution if any as may be required. No reappointment shall be made earlier than one year before the expiry of term.

- b. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

## 4. REMOVAL:

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## 5. DETAILS OF REMUNERATION PAID TO THE DIRECTORS:

The details of Remuneration to Directors during the financial year 2019-20 are as follows:

Sr. No.	Name of the Directors	Designation	Service Contract	Remuneration drawn Amount (C in lacs) Stock option Details		Stock Options Granted
				Salary, Allowances & Perquisites	Sitting Fees	
1.	Mr. Shiv Singh Mehta	Chairman & Managing Director	12.01.2019 to 11.01.2022	47.82	-	-
2.	Mrs. Purnima Mehta	Non Executive Director	-	-	1.04	-
3.	Mr. Saurabh Singh Mehta	Whole Time Director	01.08.2019 to 31.07.2022	113.82	-	-
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	-
6.	Mr. Bhuwanesh Shastri*	Independent Director	11.08.2015 to 10.08.2020	-	-	-
7.	Mr. Chandrasekharan Bhaskar**	Independent Director	16.05.2019 to 31.03.2024	-	0.60	-

\* Mr. Bhuwanesh Shastri has resigned from the office of Director w.e.f 20th April, 2019.

\*\*Mr. Chandrasekharan Bhaskar has been appointed as the Independent Director w.e.f 16th May, 2019.

## 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, 2020, Seventeen (17) 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, 2020.

Presently, Mrs. Purnima Mehta, Non-Executive- Non-Independent Director, is the Chairperson of the Committee. While Mr. Shiv Singh Mehta, Chairman & Managing Director, CA Manoj Fadnis, Non Executive Independent Director are the Members. Further, CS Sachin Upadhyay Company Secretary and Compliance Officer of the company is treated as the Compliance Officer in terms of this committee.

The Committee has periodic interaction with the representatives of the Registrar and Transfer Agent of the Company. During the financial year ended 31st March, 2020 the Committee met six times on i) 30th April, 2019; ii) 31st May, 2019; iii) 15th June, 2019; iv) 31st July, 2019; v) 31st August, 2019; 24th October, 2019 respectively.

## 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:

## IX. GENERAL MEETINGS

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

Year	Location	Date	Type of General Meeting	Time	Special Resolutions	Special resolution through postal Ballot
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	2	-
2018-2019	4th Floor, Chetak Chamber, 14, RNT Marg, Indore	18th March, 2019	EGM	04:00 P.M.	4	-
2017-2018	As above	31st July, 2018	AGM	04:00 P.M.	-	-
2016-2017	As above	12th September, 2017	AGM	04:00 P.M.	-	-

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

During the year under review, Corporate Social Responsibility Committee met one (1) time on 16th May, 2019 and 27th January, 2020.

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

- To formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the CSR activities that the Company shall pursue within the framework of activities mentioned in Schedule VII of the Companies Act, 2013 as amended from time to time.
- To recommend the amount of expenditure to be incurred by the Company on the activities proposed to be carried out under the head CSR during the relevant financial year.
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- To comply with the directions of the Board as may be given from time to time in connection with pursuing CSR activities, expenditure thereon and such other matters related thereto.

## 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 27th January, 2020 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.

## 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 ([www.knl.kritiindia.com](http://www.knl.kritiindia.com)).

**Website:** The Company's website ([www.knl.kritiindia.com](http://www.knl.kritiindia.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 ([www.knl.kritiindia.com](http://www.knl.kritiindia.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 centralized web-based complaints redress system. The salient features of this system are: Centralized database 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 -<http://kritinutrients.com/investor-relations/policies/>

2. During the last three years, no non-compliance has been made by the Company and no penalties, strictures imposed on the Company by stock exchange, SEBI or any statutory authority in respect of any matter related to capital market.

3. 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.

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 2019-20 are as under:

- Number of complaints filed during the financial year: NIL
- Number of complaints disposed of during the financial year: NIL
- Number of complaints pending as on end of the financial year: NIL

6. The Board affirms that, there is no such instance where the Board has not accepted any recommendation of any committee of the Board during the financial year.

7. 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, displayed on the website of the Company and are sent to the Stock Exchanges where the shares of the Company are listed. The half-yearly results are not separately circulated to the shareholders.

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.

D. Reporting of Internal Auditor:

The Internal Auditors of the Company report to the Audit Committee

## XII. CONFIRMATION OF COMPLIANCE

- The Company has complied with the requirements specified in Regulations 17 to 20, 22 to 27 of the Listing Regulations.
- 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, 2020 and the declaration to that effect from Chairman & Managing Director is annexed to this report.
- The Secretarial Auditors' Certificate that the Company has complied with the conditions of Corporate Governance is annexed to the Report of the Board of Directors.
- 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.

(Total fees for all services paid by the listed entity and its subsidiaries on a consolidated basis, to the statutory auditor and all the entities" point missing.)

## XIII. GENERAL SHAREHOLDER INFORMATION

- 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.
- Annual General Meeting**  
Date and Time, Venue : 8th August, 2020 at 05.00 P.M.  
: 8th Floor, Brilliant Sapphire, Plot No. 10, PSP, IDA, Scheme No. 78-II, Indore (M.P.)
- Book Closure Date** : 02nd August, 2020 to 8th August, 2020 (both days inclusive)
- Dividend Payment Date** : 14th August, 2020
- Financial Year** : April 1 to March 31
- Financial Calendar for the Year ending** : 31st March, 2021

Sr. No.	Particulars	Tentative Date
1.	Unaudited Financial Results for the First Quarter ending 30th June, 2020	On or Before 14th August, 2020
2.	Unaudited Financial Results for the Second Quarter ending 30th September, 2020	On or Before 14th November, 2020
3.	Unaudited Financial Results for the Third Quarter ending 31st December, 2020	On or Before 14th February, 2021
4.	Audited Financial Results for the Fourth Quarter ending 31st March, 2021	On or Before 30th May, 2021
5.	Annual General Meeting for the year ending 31st March, 2021	On or 30th September, 2021

- Listing on Stock Exchange** : BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001  
Scrip Code – 533210  
ISIN –INE798K01010
- Annual Listing fees for the year 2020-21 have been duly paid to the above Stock Exchange.
- Annual Custody / Issuer fee for the year 2020-21 has been paid to CDSL & will be paid to NSDL on receipt of the invoice.
- Stock Market Data:**  
Data on the closing share prices of the Company on Stock Exchanges during the year under review is as follows:

Month/Year	BSE Limited Price		BSE Sensex Price	
	High (C)	Low (C)	High (C)	Low (C)
Apr 2019	32.25	28.00	39,487.45	38,460.25
May 2019	29.80	20.80	40,124.96	36,956.10
June 2019	25.40	19.40	40,312.07	38,870.96
July 2019	24.90	18.05	40,032.41	37,128.26
Aug 2019	21.55	14.55	37,807.55	36,102.35
Sep 2019	22.00	15.60	39,441.12	35,987.80
Oct 2019	20.50	16.25	40,392.22	37,415.83
Nov 2019	22.85	18.00	41,163.79	40,014.23
Dec 2019	20.95	16.60	41,809.96	40,135.37
Jan 2020	26.90	18.05	42,273.87	40,476.55
Feb 2020	24.95	17.50	41,709.30	38,219.97
Mar 2020	22.70	12.50	39,083.17	25,638.90

**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 C in Lakhs
1.	2018-19	-	18	18	90.19
2.	2017-18	-	18	18	90.19
3.	2016-17	-	12	12	60.12
4.	2015-16	12	-	12	60.12
5.	2014-15	-	10	10	50.10

**Unclaimed Dividends:**

Dividends remain unpaid/unclaimed for a period of seven years will be transferred the Investor Education & Protection Fund (IEPF) established by the Government. The dates by which the dividend amounts will be transferred to IEPF are as under:

Financial Year	Date of Declaration	Rate of Dividend per Share C	Due date for transfer to IEPF	Amount of unpaid dividend C
2012-13	14/09/2013	6%	21/10/2020	114754.62
2013-14	25/09/2014	10%	01/11/2021	185947.4
2014-15	24/09/2015	10%	31/10/2022	222149.9
2015-16	11/08/2016	12%	18/04/2023	222951.36
2016-17	12/09/2017	12%	19/10/2024	243547.32
2017-18	31/07/2018	18%	12/09/2025	389633.62
2018-19	14/08/2019	18%	19/09/2026	224437.32

**12. Registrar & Transfer Agent : Ankit Consultancy Pvt. Ltd**

Plot No. 60, Electronic Complex, Pardeshipura, Indore- 452 010 (M.P)

SEBI Reg. No. NR000000767

Tel: 0731-4065797/ 0731-4065799

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

**13. Share Transfer and Investors Grievances Redressal System Equity Shares:****a. Physical Form**

The Company has appointed Ankit Consultancy Pvt. Ltd. as its Registrar and Transfer Agent to look into various issues relating to the investors including share transfers. Share transfers in physical form are registered and returned within a period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. The Company gets report of the share transfers, etc. periodically from Registrar and Transfer Agent.

During the year, the Company has received Seventeen (17) investor complaints, regarding non-receipt of exchanged share certificate, Non-receipt of Annual Report, Complaints/Grievances were duly addressed and resolved within 15 days from the date of receipt.

**b. Electronic Form**

The Company's Equity Shares are admitted into the Depository System of National Securities Depository Limited and Central Depository Services (India) Limited, as an eligible security under the Depositories Act, 1996.

As such, facilities for dematerialization of the Company's Equity Shares is already operational vide ISIN: INE479D01038 at both the Depositories. Investors are required to establish an account with a Depository Participant to hold and trade shares in the dematerialized form. Requests received from Shareholders through their Depository Participants for dematerializing the Equity Shares of the Company are processed by the Registrar within a period of 30 days from the date of receipt of such requests and are approved where requests are complete and in order in all respect.

**14. Distribution of Shareholding as on 31st March,2020:**

Share Holding of Nominal Value of C	No. of Shareholders	% of Shareholding
1-1000	6435	78.69
1001-2000	936	11.45
2001-3000	270	3.30
3001-4000	226	2.76
4001-5000	46	0.56
5001-10000	143	1.75
10001-20000	57	0.70
20001-30000	14	0.17
30001-40000	14	0.17
40001-50000	7	0.09
50001-100000	13	0.16
100000 Above	17	0.21

**15. Dematerialisation of Shares:**

4,87,39,440 Equity Shares i.e. 97.28% of the total Equity Shares have been dematerialized up to 31st March, 2020.

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.

**16. Company has no outstanding GDR's, ADR's, Warrants or any other Convertible Instruments.****17. Commodity price risk or foreign exchange risk and hedging activities:**

The Company does not have any exposure hedged through commodity derivatives. During the year 2019, 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.

18. The Certificate of Non Disqualification of Directors under Regulation 34 (3) read with Schedule V of the SEBI (LODR) Regulations, 2015 is attached as "Annexure 2" and forms a part of this Report.

19. **Plant Location** : Industrial Area No. 3, Dewas 455001

**20. Address for Investor Correspondence:**

Registered Office:	Corporate Support Centre:
Kriti Nutrients Limited	Kriti Nutrients Limited
34, Mehta Chambers, Siyagunj	Brilliant Sapphire, 801-804, 8th Floor, Plot No. 10, Sch No.78-II, Vijay Nagar
Indore 452007 (M.P.)	Indore 452001 (M.P.)
Tel: 0731-2540963	Tel: 0731-2719100
Email: cs@kritiindia.com	Email: cs@kritiindia.com

## REPORT ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To  
The Members of  
**KRITI NUTRIENTS LIMITED**  
CIN: L24132MP1996PLC011245

1. We, Kaushal Agrawal & Co., Practicing Company Secretaries, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

### Managements' Responsibility

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

### Our Responsibility

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

4. We have examined the books, papers, minutes books, forms, returns and other relevant records and documents maintained by the company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

### Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to

us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2020.

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 disclaimer 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, 2020.

**Disclaimer:-** 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.

Dated: - 26.06.2020  
Place: Indore

For **Kaushal Agrawal & Co.**,  
Practicing Company Secretaries  
Proprietor  
Kaushal Kumar Agrawal  
FCS 4985 CP 3457

'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-Chamber34, Siya Ganj,  
Indore MP-452007.

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) 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, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN/PAN	Date of appointment in Company
1.	SHIV SINGH MEHTA	00023523	26/12/2009
2.	SAURABH SINGH MEHTA	00023591	26/12/2009
3.	PURNIMA MEHTA	00023632	26/12/2009
4.	RAKESH KALRA	00780354	27/01/2014
5.	MANOJ FADNIS	01087055	26/12/2009
6.	CHANDRASEKHARAN BHASKAR	00003343	16/05/2019

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

For **D.P. Yadav & Associates**

CS D.P. Yadav  
MN. 36395  
COPN:13717

Dated: - 26.06.2020  
Place: Indore  
UDIN: A036395B000375371

## MD/CFO CERTIFICATE

To  
The Board of Directors,  
**KRITI NUTRIENTS LIMITED**

Dear Sirs

We Shiv Singh Mehta, Chairman & Managing Director and Suresh Chandra Jajoo, Chief Financial Officer of Kriti Nutrients Limited certify that:

- A. We have reviewed the financial statements and cash flow statement for the year ended on 31st March, 2020 and to the best of our knowledge and belief :
- I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - II. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended on 31st March, 2020 are fraudulent, illegal or violate the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have not noticed any deficiency that need to be rectified or disclosed to the Auditors.
- D. I. There has not been any significant change in internal control over financial reporting during the year under review;
- II. There has been not any significant change in accounting policies during the year under review and
- III. We are not aware of any instance during the year, of any significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Date: 29th June, 2020  
Place: Indore

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

**Suresh Chandra Jajoo**  
*Chief Financial Officer*

# INDEPENDENT AUDITORS' 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 2020, 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 2020, 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>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. 31.3 and 31.4 respectively read with Note No. 2.2.9 to the financial statements):</p> <p>The Company has material uncertain tax positions including other matters under dispute which involves significant judgment to determine the possible outcome of these disputes. The Company's assessment is supported by the facts of matter, their own judgment, past experience, and advices from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Company's reported profit and the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters.</p>	<p>Our audit approach involved :-</p> <ol style="list-style-type: none"><li>Understanding the current status of the litigations/tax assessments;</li><li>Examining communication received from various Tax Authorities/ Judicial forums and follow up action thereon;</li><li>Evaluating the merit of the subject matter under consideration with reference to available independent legal/ tax advice; and</li><li>Review and analysis of evaluation of the contentions of the Company through discussions, collection of details of the subject matter under consideration and the likely outcome.</li></ol>

## 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 misstatement 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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 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 2020 on its financial position in its financial statements - Refer Note 29 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: 29th June, 2020

Membership No: 075344  
ICAI UDIN: 20075344AAAABH4374

## 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, 2020**

### 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:

- (a) 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.
- (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 2019 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	Amount (in Lacks )
1.	M.P. COMMERCIAL TAX	APPELLATE BOARD, BHOPAL	2004-05	21.55
2.	M.P. COMMERCIAL TAX	HIGH COURT	2005-06	81.41
3.	M.P. COMMERCIAL TAX	HIGH COURT	2005-06	6.71
4.	M.P. COMMERCIAL TAX	ASSESSING OFFICER	2006-07	6.53
5.	M.P. COMMERCIAL TAX	ADDITIONAL COMMISSIONER , INDORE	2013-14	5.08
6.	CENTRAL SALES TAX	HIGH COURT	2006-07	114.25
8.	M.P. COMMERCIAL TAX	ADDITIONAL COMMISSIONER, INDORE	2015-16	0.72

S. No.	Name of the Statute (Nature of the Dues)	Forum where Matter is pending	Period to which the amounts relates	Amount (in Lacks )
9.	M.P.COMMERCIALTAX	ADDITIONAL COMMISSIONER , INDORE	2014-15	1.37
10.	M.P.COMMERCIALTAX	ADDITIONAL COMMISSIONER , INDORE	2015-16	1.28
11.	ENTRY TAX	HIGH COURT	2005-06	35.98
12.	ENTRY TAX	APPELLATE BOARD, BHOPAL	2007-08	18.22
13.	ENTRY TAX	APPELLATE BOARD, BHOPAL	2008-09	3.91
14.	ENTRY TAX	HIGH COURT	2006-07	3.85
15.	ENTRY TAX	HIGH COURT	2008-09	14.79
16.	CENTRAL SALES TAX	DEPUTY COMMISSIONER, INDORE	2016-17	0.31

#### 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

**(CA. Vijay Bansal)**  
Partner  
Membership No: 075344

Place: Indore  
Date: 29th June, 2020

## 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 2020 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 2020, 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

**(CA. Vijay Bansal)**

Place: Indore  
Date: 29th June, 2020

Partner  
Membership No: 075344

## Balance Sheet as on 31.03.2020

(H in lakhs)

	Note No	As at 31.03.2020	As at 31.03.2019
<b>ASSETS</b>			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	4,477.05	3,950.58
(b) Capital work-in-progress		22.45	10.54
(c) Other Intangible assets	4	84.84	74.38
(d) Financial Assets			
(i) Investments	5	10.43	14.03
(ii) Loans /Advances/Deposits	6	865.80	874.90
Total Non-current assets		5,460.57	4,924.43
(2) Current assets			
(a) Inventories	7	3,221.91	2,710.93
(b) Financial Assets			
(i) Trade Receivables	8	2,278.38	1,314.00
(ii) Cash and cash equivalents	9	1.68	120.11
(iii) Bank balances other than (ii) above	10	205.70	71.13
(iv) Loans and Advance	11	1,262.96	835.42
(c) Other current assets	12	315.51	360.88
Total Current assets		7,286.14	5,412.47
Total Assets		12,746.71	10,336.90
<b>EQUITY AND LIABILITIES</b>			
Equity			
(a) Equity Share capital	13	501.04	501.04
(b) Other Equity	14	8,197.72	6,410.17
Total Equity		8,698.76	6,911.21
LIABILITIES			
(1) Non-current liabilities			
(a) Deferred tax liabilities (Net)	15	499.56	729.04
(b) Other non-current liabilities	16	44.25	34.46
(i) Lease Liability		282.17	-
Total Non-current liabilities		825.98	763.50
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	621.43	1,235.56
(ii) Trade payables	18		
(a) total outstanding dues of micro enterprises and small enterprises and		-	0.26
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		672.51	1,049.86
(iii) Others financial liabilities	19	16.03	13.89
(b) Other current liabilities	20	1,775.14	271.15
(c) Provisions	21	66.13	59.36
(d) Current Tax Liabilities (Net)	22	70.73	32.11
Total Current liabilities		3,221.97	2,662.19
Total Equity and Liabilities		12,746.71	10,336.90

Significant accounting policies

1-2

Other Notes to the accounts

28-44

As per our Report of even date attached

For R.S.Bansal & Company

For and on behalf of the Board of Directors

Chartered Accountants

FRN:000939C

Vijay Bansal  
(Partner)  
M.No. 075344

Shiv Singh Mehta  
(Chairman & Managing Director)  
DIN 00023523

Purnima Mehta  
(Director)  
DIN 00023632

S.C. Jajoo  
(Chief Financial Officer)

Sachin Upadhyay  
(Company Secretary)

Place: Indore

Date : 29th June, 2020

## Statement of Profit & Loss for the period ended on 31.03.2020

(H in lakhs)

Sr. No.	Particulars	Note No	For the period ended 31.03.2020	For the period ended 31.03.2019
1	Income			
	(i) Revenue From Operations	23	52,037.79	48,522.77
	(ii) Other Income	24	328.48	99.33
	Total Revenue (i+ii)		52,366.27	48,622.10
2	Expenses			
	(a) Cost of materials consumed		44,322.78	39,885.66
	(b) Purchases of Stock-in-Trade		588.00	558.84
	(c) Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress		(27.27)	479.25
	(e) Employee benefits expense	25	1,018.67	838.04
	(f) Finance costs	26	169.76	241.49
	(g) Depreciation and amortization expense	3-4	304.47	268.01
	(h) Other expenses	27	3,764.29	3,673.14
	Total expenses		50,140.70	45,944.43
3	Profit/(loss) before exceptional items and tax (1-2)		2,225.57	2,677.67
4	Exceptional items		-	-
5	Profit/(loss) before tax (3+4)		2,225.57	2,677.67
6	Tax expense:			
	(i) Current tax		554.54	882.52
	(ii) Deferred tax		(229.48)	100.07
	Total Tax Expenses (i+ii)		325.06	982.59
7	Net Profit (Loss) after Tax for the period from continuing operations (5-6)		1,900.51	1,695.08
	Net Profit (Loss) for the period from discontinued operations		-	-
	Tax expenses of discontinued operations :			
	(i) Current tax		-	-
	(ii) Deferred tax		-	-
	Total Tax Expenses(i+ii)		-	-
8	Net Profit (Loss) after tax for the period from discontinued operations		-	-
9	Net Profit (Loss) after tax for the period (7+8)		1,900.51	1,695.08
10	Other Comprehensive Income (net of tax )			
	a (i) Items that will be reclassified to Profit and Loss			
	Fair Valuation of Investment through OCI		(3.61)	0.70
	b (i) Items that will not be reclassified to Profit and Loss			
	Remeasurement of defined benefits plans		(0.64)	(4.62)
11	Total comprehensive Income for the Period (9+10)		1,896.26	1,691.16
	Paid up Equity Share Capital (face Value C1 Per Share)		501.04	501.04
12	Earning per share of continuing operations (of C1/- each)			
	(1) Basic		3.79	3.38
	(2) Diluted		3.79	3.38
13	Earning per share of discontinued operations (of C1/- each)			
	(1) Basic		-	-
	(2) Diluted		-	-
14	Earning per share of continuing and discontinued operations (of C1/- each)			
	(1) Basic		3.79	3.38
	(2) Diluted		3.79	3.38
	(1) Basic		3.73	3.38
	(2) Diluted		3.73	3.38

Significant accounting policies

1-2

Other notes on accounts

28-44

As per our Report of even date attached

For R.S.Bansal & Company

For and on behalf of the Board of Directors

Chartered Accountants

FRN:000939C

Vijay Bansal  
(Partner)  
M.No. 075344

Shiv Singh Mehta  
(Chairman & Managing Director)  
DIN 00023523

Purnima Mehta  
(Director)  
DIN 00023632

S.C. Jajoo  
(Chief Financial Officer)

Sachin Upadhyay  
(Company Secretary)

Place: Indore

Date : 29th June, 2020

## Cash Flow Statement as on 31.03.2020

(H in lakhs)

	Year ended 31.03.2020		Year ended 31.03.2019	
	Amount	Amount	Amount	Amount
<b>Cash Flow From Operating Activities</b>				
Net Profit before Tax		2,225.57		2,677.67
Adjustments for :				
Depreciation	304.47		268.01	
Dividend Received	–		–	
Short Provision of Income Tax	–		3.39	
(Profit)/ Loss on Sale of Fixed Assets	20.59		–	
Financial Income	(134.21)		(26.52)	
Financial Expense	169.76	360.62	241.49	486.37
Cash Operating Profit before working capital changes		2,586.18		3,164.04
Increase / (Decrease) in Trade Payables	(369.24)		140.92	
Increase/(Decrease) in Other Financial Liabilities	2.15		(0.99)	
Increase/(Decrease) in Short term Provisions	(6.77)		(25.02)	
Increase / (Decrease) in Current Tax Liabilities (Net)	(38.62)		(1,696.91)	
Increase / (Decrease) in Other Current Liabilities	1,503.99		14.67	
(Increase) / Decrease in Inventories	(510.98)		787.13	
(Increase) / Decrease in Trade Receivables	(964.38)		(76.02)	
(Increase) / Decrease in Long term Loans & Advances	9.09		(803.79)	
(Increase) / Decrease in Other Financial Assets	–		22.50	
(Increase) / Decrease in Short term Loans & Advances	(427.55)		(364.56)	
(Increase)/Decrease in Other Current Assets	45.37		2,206.05	
Tax Paid		(756.94)		203.99
		(483.02)		(1,009.66)
<b>Net Cash From Operating Activities (A)</b>		<b>1,346.22</b>		<b>2,358.36</b>
<b>Cash Flow From Investing Activities</b>				
Dividend Income	–		–	
Financial Income	134.21		26.52	
(Profit)/ Loss on Sale of Fixed Assets	(20.59)		–	
Purchase of Fixed Assets	(564.47)		(255.87)	
Decrease in Investment	3.60		(0.70)	
Decrease Investment in Fixed Deposits having maturity of less than twelve months	(132.43)		(26.16)	
(Increase) / Decrease in Non Current Investment	(2.15)		0.99	
<b>Net Cash Used In Investing Activities (B)</b>		<b>(581.83)</b>		<b>(255.22)</b>
<b>Cash Flow From Financing Activities</b>				
Proceeds from Long Term Borrowings	–		–	
Repayment of Long Term Borrowings	–		–	
Net Increase/(Decrease) in Long Term Borrowings	–		–	
Increase/(Decrease) in Other Non Current Liability	9.79		(9.10)	
Increase/(Decrease) in Short Term Borrowings	(614.13)		(1,723.07)	
Dividend Paid on Equity Shares	(90.19)		(90.19)	
Dividend Distribution Tax Paid	(18.54)		(18.54)	
Financial Expenses	(169.76)		(241.49)	
<b>Net Cash Used In Financing Activities (C)</b>		<b>(882.83)</b>		<b>(2,082.38)</b>
<b>Net Increase In Cash and Cash Equivalents (A + B + C)</b>		<b>(118.44)</b>		<b>20.76</b>
<b>ADD: Cash and cash equivalents - Opening - 1st April</b>		<b>120.11</b>		<b>99.35</b>
<b>Cash and cash equivalents - Closing - 31th March, 2020</b>		<b>1.68</b>		<b>120.11</b>

Footnote to Cash Flow Statement:

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

Particulars	(H in lakhs)	
	31.03.2020	31.03.2019
Cash & Cash Equivalent		
Balances with Banks		
Current Account	0.23	0.36
Fixed Deposit having maturity three months or less	–	118.00
Cash on hand	1.45	1.75
Total of Cash & Cash Equivalent	1.68	120.11

Significant accounting policies

1-2

Other Notes to the accounts

28-44

As per our Report of even date attached

For R.S.Bansal & Company

For and on behalf of the Board of Directors

Chartered Accountants

FRN:000939C

Vijay Bansal  
(Partner)  
M.No. 075344

Shiv Singh Mehta  
(Chairman & Managing Director)  
DIN 00023523

Purnima Mehta  
(Director)  
DIN 00023632

S.C. Jajoo  
(Chief Financial Officer)

Sachin Upadhyay  
(Company Secretary)

Place: Indore

Date : 29th June, 2020

## Statement of Change in Equity for the Year Ended 31st March, 2020

## Share capital

Equity Share Capital	Balances as at 1st April, 2018	Changes in equity share capital during the year	Balance as at 31st March, 2019	Balances as at 1st April, 2019	Changes in equity share capital during the year	Balance as at 31st March, 2020
Paid up Capital	501.04	–	501.04	501.04	–	501.04

## Other Equity

Particulars	Reserves and Surplus						Other Comprehensive Income			Total
	General Reserve	Share Premium Account	Contingency Reserve	Share Forfeiture Account	Retained Earnings	Total	Fair Value of Investment through OCI	Actuarial Gain/Loss through OCI	Other Comprehensive Income total	
Balances as at 1st April, 2018	850.00	295.56	25.00	–	3,651.30	4,821.86	2.49	–	2.49	4,824.35
Profit for the year					1,695.08	1,695.08				1,695.08
Other Comprehensive Income:					(4.62)	(4.62)	0.70	–	0.70	(3.92)
Excess IT Provision Reversed (2017-18)					3.39	3.39				3.39
Final Dividend paid including corporate dividend tax					(108.73)	(108.73)				(108.73)
Transfer to General Reserve	150.00				(150.00)	–				–
Balance as at 31st March, 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

## General Reserve

General Reserve are the retained earnings of a company which are kept aside out of company's profits to meet future (known or unknown) obligations.

## Share Premium Account

Share Premium to be used in future to pay the expenses of issuing equity , such as underwriter fees or for issuing bonus shares to shareholders.

## Contingency Reserve

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

## Significant Accounting Policies and Notes to the Accounts 31.03.2020

### 1. Corporate Information

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

### 2. Significant Accounting Policies

#### 2.1 Basis of Preparation and Presentation

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

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

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

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

#### 2.2 Summary of Significant Accounting Policies

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

- a) Property, Plant and Equipment (PPE) are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
- b) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. In the carrying amount of an item of Property, Plant and Equipment, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.
- c) Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.
- d) Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Each part of an item of Property, Plant & Equipment with a cost that is significant in relation to total cost of the Machine is depreciated separately, if its useful life is different than the life of the Machine.  
  
Based on the technical evaluation, the management believes that the useful life of Dies and Moulds is 6 years.
- e) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- f) ) Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.
- g) Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is 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.

##### 2.2.2. Leases

Ind AS 116 'Leases' has been introduced effective from 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

## Significant Accounting Policies and Notes to the Accounts 31.03.2020

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

As a result ROU Assets of C267.17 lakhs and Lease Liability of C282.17 Lakhs have been recognized in the books as at 31st March, 2020.

### 2.2.3. Intangible assets

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

### 2.2.4. Capital Work in Progress

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

### 2.2.5. Research and Development Expenditure

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

### 2.2.6. Finance Cost

- a) Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.
- b) Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

## Significant Accounting Policies and Notes to the Accounts 31.03.2020

- c) All other borrowing costs are expensed in the period in which they occur.

### 2.2.7. 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 .

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

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

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

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

### 2.2.10. Employee Benefits Expense

#### Short Term Employee Benefits

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

#### Post-Employment Benefits

##### Defined Contribution Plans

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

##### Defined Benefit Plans

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

## Significant Accounting Policies and Notes to the Accounts 31.03.2020

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) ) Re-measurement of defined benefit plans in respect of post- employment are charged to the Other Comprehensive Income.

### 2.2.11. Tax Expenses

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

#### Current tax

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

#### Deferred tax

- c) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.
- d) Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset 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.

### 2.2.12. Foreign currencies transactions and translation

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

### 2.2.13. Revenue recognition

- a) Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.
- b) 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.
- c) Revenue from operations includes sale of goods, services, excise duty and adjusted for discounts (net), and gain/ loss on corresponding hedge contracts.

#### Interest income

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

## Significant Accounting Policies and Notes to the Accounts 31.03.2020

### Dividends

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

### 2.2.14. Insurance Claims

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

### 2.2.15. Government Grants

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

### 2.2.16. Financial instruments

#### I. Financial Assets

##### a. Initial recognition and measurement

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

##### b. Subsequent measurement

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

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

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

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

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

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

##### c. Other Equity Investments

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

##### d. Impairment of financial assets

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

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

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

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

## Significant Accounting Policies and Notes to the Accounts 31.03.2020

- iv. For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.
- II. Financial liabilities
    - a. Initial recognition and measurement

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

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

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

      - a) Cash flow hedge

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

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

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

### 2.2.17. Operating Cycle

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

An asset is treated as current when it is:

  - i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
  - ii. Held primarily for the purpose of trading;
  - iii. Expected to be realized within twelve months after the reporting period, or

## Significant Accounting Policies and Notes to the Accounts 31.03.2020

- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

- b. A liability is current when:

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

All other liabilities are classified as non-current.

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

The company has identified twelve months as its operating cycle.

### 2.2.18. Earnings Per Share

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

### 2.2.19. Dividend Distribution

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

### 2.2.20. Statement of Cash Flows

- a. Cash and Cashequivalents

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

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

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

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

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

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

#### 2.3.2. Recoverability of trade receivable

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

#### 2.3.3. Provisions

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

#### 2.3.4. Impairment of non-financial assets

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

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

#### 2.3.5. Impairment of financial assets

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

#### 2.3.6. COVID-19 Impact

The impact of COVID-19 has been assessed. Refer Note No. 42.

Schedule Forming Part of the Balance Sheet and Profit & Loss Accounts (As per Companies Act 2013)

(H in lakhs)

Note Particulars	Gross Block				Depreciation				Net Block	Net Block
	01.04.2019	Additions	Deduction	Total	01.04.2019	For Year	Writtren Back	Total	31.03.2020	31.03.2019
<b>3 Tangible Asset</b>										
3.1 Land										
3.1.1 Free hold Land	53.59	–	–	53.59	–	–	–	–	53.59	53.59
3.1.2 Lease hold Land	72.36	–	–	72.36	2.92	0.97	–	3.89	68.47	69.44
3.2 Building	794.40	207.81	–	1,002.21	120.05	42.89	–	162.93	839.27	674.35
3.3 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
3.4 Furniture & Fixture	4.02	47.38	–	51.40	0.21	2.22	–	2.43	48.97	3.81
3.5 Vehicles	32.35	0.53	–	32.88	22.55	7.99	–	30.54	2.34	9.80
3.6 Office EuiPMENT	18.19	3.96	–	22.14	6.12	4.58	–	10.71	11.44	12.06
3.7 Right-of-Use Asset:										
3.7.1 Office Building	–	288.83	–	288.83	–	21.66	–	21.66	267.17	–
Total (3)	4,661.45	902.13	116.89	5,446.69	710.87	283.51	24.74	969.65	4,477.05	3,950.58
Previous Year	4,418.76	242.70	–	4,661.45	459.18	251.70	–	710.87	3,950.58	3,959.58
<b>4 Intangible Assets</b>										
4.1 Computer Software	133.32	31.41	–	164.73	58.94	20.96	–	79.90	84.84	74.38
Total (4)	133.32	31.41	–	164.73	58.94	20.96	–	79.90	84.84	74.38
Previous Year	95.06	38.27	–	133.32	42.63	16.31	–	58.94	74.38	52.43
TOTAL RS.	4,794.77	933.54	116.89	5,611.42	769.81	304.47	24.74	1,049.55	4,561.89	4,024.96
Previous Year	4,513.82	280.97	–	4,794.77	501.81	268.01	–	769.81	4,024.96	4,012.01

## Notes forming part of the Balance Sheet and Statement of Profit & Loss account

### NOTE-5. INVESTMENT

	(H in lakhs)	
Particulars	31.03.2020	31.03.2019
Non Trade Investment in Equity Instruments		
5.1 Unquoted		
5.2 Quoted		
5.2.1 I.D.B.I (2880 Equity Shares of C10/- each) (Cost Price 2.34 Lakhs) (Market Price as on 31.03.2020 C0.56 lacs (Prv. Yr. C1.34 lacs))	0.56	1.34
5.2.2 Reliance Power Ltd (25 shares of C10/- each) (Cost Price 0.07 Lakhs) (Market value as on 31.03.2020 C0.001 lacs (Prv. Yr. C0003 lacs))	-	-
Investment in Mutual Fund		
5.3 SBI Magnum Equity Fund - Regular Plan Growth 12136.374 units (Cost Price 5.00 Lakhs) (Market price as on 31.03.2020 C9.87 lacs (Prv. Yr. C12.69 lacs))	9.87	12.69
<b>Total</b>	<b>10.43</b>	<b>14.03</b>

### NOTE-6. LOANS/ADVANCE/DEPOSITS

	(H in lakhs)	
Particulars	31.03.2020	31.03.2019
6.1 SECURITY DEPOSITS	65.80	72.02
6.2 Long Term Loan Receivable		
6.2.1 Loans Receivables considered good - Secured;	0.00	0.00
6.2.2 Loans Receivables considered good - Unsecured;	800.00	800.00
6.2.3 Loans Receivables which have significant increase in Credit Risk; and	0.00	0.00
6.2.4 Loans Receivables - credit impaired;	0.00	0.00
6.3 Advance to Creditors for Capital Items	0.00	2.88
<b>Total</b>	<b>865.80</b>	<b>874.90</b>

### NOTE-7. OTHER FINANCIAL ASSETS

	(H in lakhs)	
Particulars	31.03.2020	31.03.2019
7.1 Raw Material	1,187.76	769.32
7.2 Finished Goods	1,592.74	1,565.47
7.3 Stores and Spares & others	441.41	376.14
<b>Total</b>	<b>3,221.91</b>	<b>2,710.93</b>

### NOTE-8. INVENTORIES

	(H in lakhs)	
Particulars	31.03.2020	31.03.2019
8.1 Trade Receivables considered good- Secured	-	-
8.2 Trade Receivables considered good- Unsecured	2,261.72	1,297.34
8.3 Trade Receivables which have significant increase in Credit Risk; and	16.66	16.66
8.4 Trade Receivables- credit impaired.;	-	-
<b>Total</b>	<b>2,278.38</b>	<b>1,314.00</b>

### NOTE-9. CASH AND CASH EQUIVALENTS

	(H in lakhs)	
Particulars	31.03.2020	31.03.2019
9.1 Cash & Cash Equivalents		
9.1.1 Balances with Banks	0.23	0.36
9.1.2 Fixed deposit	-	118.00
9.1.3 Cash on hand	1.45	1.75
<b>Total</b>	<b>1.68</b>	<b>120.11</b>

### NOTE-10. OTHER BANK BALANCES

	(H in lakhs)	
Particulars	31.03.2020	31.03.2019
10.1 Other Bank Balances		
10.1.1 Unpaid dividend	16.03	13.89
10.1.2 Fixed deposit with banks held as margin money against borrowing (Maturity less than 12 Months)	189.67	57.24
<b>Total</b>	<b>205.70</b>	<b>71.13</b>

### NOTE-11. LOANS AND ADVANCES

	(H in lakhs)	
Particulars	31.03.2020	31.03.2019
11.1 Unsecured, Considered good	862.96	835.42
Advances recoverable in cash or kind or for value to be recieved		
11.2 Loans Receivables considered good - Unsecured	400.00	-
<b>Total</b>	<b>1,262.96</b>	<b>835.42</b>

## Notes forming part of the Balance Sheet and Statement of Profit & Loss account

### NOTE-12. OTHER CURRENT ASSETS

(H in lakhs)

Particulars	31.03.2020	31.03.2019
12.1 Sundry Deposits	54.53	15.32
12.2 Advance Tax/ Tax Deducted at source	–	–
12.3 CENVAT	0.31	0.31
12.4 Accrued Interest/ Income	260.67	345.25
12.5 Insurance Claim Receivable	–	–
<b>Total</b>	<b>315.51</b>	<b>360.88</b>

### NOTE-13. EQUITY SHARE CAPITAL

(H in lakhs)

Particulars	31.03.2020	31.03.2019
13.1 AUTHORIZED		
13.1.1 100000000 Equity Shares of C1/- each	1,000.00	1,000.00
13.2 ISSUED, SUBSCRIBED AND PAID UP		
13.2.1 50103520 equity shares of C1/- each fully paid up. Out of which 49603520 shares issued on 27.01.2010 as fully paid up on account of scheme of arrangement as approved by The Hon'ble High Court of M.P. , Indore Bench. The company has only one class of shares referred to as equity shares having a par value of C1 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.		
13.2.2 Reconciliation of shares		
13.2.2.1 Opening Balance of 50103520 equity shares of C1/- each	501.04	501.04
14.2.2.2 Issued during the year	–	–
14.2.2.3 Closing Balance 50103520 equity shares of C1/- each	501.04	501.04
	<b>501.04</b>	<b>501.04</b>
14.3 Shareholder Holding more than 5% of Shares of the Company and its Percentage		
14.3.1 Sakam Trading Private Limited (Holding Company)		
No. of Shares	2,60,99,473	2,60,99,473
% of Shares	52.09%	52.09%
14.3.2 CHETAK BUILDERS PRIVATE LIMITED (ASSOCIATE COMPANY)		
No. of Shares	47,32,751	46,21,833
% of Shares	9.45%	9.22%
Pursuant to the Hon'ble High Court of M.P. order dated 1.11.2011 approving the scheme of amalgamation of promoter group companies viz Kriti Corporate Services Pvt. Ltd., Kriti Auto Accessories Private Ltd., Kasta Pipes Pvt. Ltd. and Shipra Pipes Pvt Ltd. with Sakam Trading Pvt. Ltd., the Shareholding of the above transferor companies are vested in Sakam Trading Pvt. Ltd. Thus Sakam Trading Pvt. Ltd. becomes holding company w.e.f. 27.02.2012 of Kriti Nutrients Ltd.		

## Notes forming part of the Balance Sheet and Statement of Profit & Loss account

### NOTE-14. OTHER EQUITY

	(H in lakhs)	
Particulars	31.03.2020	31.03.2019
<b>14.1 RESERVES</b>		
14.1.1 General Reserve	1,000.00	850.00
Add: Transfer from Statement of Profit & Loss	150.00	150.00
Closing Balance	1,150.00	1,000.00
<b>14.2 Capital Reserve</b>		
(Arosen due to scheme of arrangement as approved by the Hon'ble High Court of M.P., Indore Bench)	295.56	295.56
	295.56	295.56
<b>14.3 Contingency Reserve (Free Reserve)</b>		
14.3.1 Opening Balance	25.00	25.00
Add: Transfer from Statement of Profit & Loss	-	-
	25.00	25.00
<b>14.4 SURPLUS</b>		
14.4.1 Statement of Profit & Loss		
14.4.1.1 Opening Balance	5,086.42	3,651.30
14.4.1.2 Add Profit & Loss during the period	1,900.51	1,695.08
Less:		
14.4.2 Final Dividend @ C0.18 Per Share	(90.19)	(90.19)
14.4.3 Corporate Dividend Tax	(18.54)	(18.54)
14.4.4 Transferred to General Reserve	(150.00)	(150.00)
14.4.5 Excess I T Provision Reversed(FY 2014-18)	-	3.39
14.4.6 Remeasurement of defined benefits plans	-	(4.62)
Balance in Surplus	6,728.21	5,086.42
<b>14.5 Other Comprehensive Income</b>		
Opening Balance	3.19	27.98
Other Comprehensive Income During the Period	(4.25)	(24.79)
Closing Balance	(1.06)	3.19
	6,727.14	5,089.61
<b>Total Other Equity</b>	8,197.72	6,410.17

### NOTE-15. DEFERRED TAX LIABILITY NET

	(H in lakhs)	
Particulars	31.03.2020	31.03.2019
15.1 Deferred Tax Liability (Net) (Refer Note No.42)	499.56	729.04
<b>Total</b>	499.56	729.04

### NOTE-16. OTHER NON CURRENT LIABILITIES

	(H in lakhs)	
Particulars	31.03.2020	31.03.2019
<b>UNSECURED</b>		
18.1 Security Deposits from Dealers	44.25	34.46
18.1 Lease Liability	282.17	-

### NOTE-17. SHORT TERM BORROWINGS

	(H in lakhs)	
Particulars	31.03.2020	31.03.2019
<b>17.1 Loans repayable on Demand</b>		
17.1.1 SECURED		
From banks	621.43	1,235.56
(Secured by hypothecation of finished goods, Raw material, Stock in process, store and spares, Trade receivables and charge on fixed assets of the company and personal guarantee of Managing Director and Executive Director)		
<b>Total</b>	621.43	1,235.56

## Notes forming part of the Balance Sheet and Statement of Profit & Loss account

### NOTE-18. TRADE PAYABLES

(H in lakhs)

Particulars	31.03.2020	31.03.2019
18.1 Trade Payable		
(a) total outstanding dues of micro enterprises and small enterprises and	–	0.26
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	672.51	1,049.86
<b>Total</b>	<b>672.51</b>	<b>1,050.12</b>

### NOTE-19. OTHERS FINANCIAL LIABILITIES

(H in lakhs)

Particulars	31.03.2020	31.03.2019
19.1 Current maturities of Long term debt	–	–
19.2 Unpaid dividends	16.03	13.89
<b>Total</b>	<b>16.03</b>	<b>13.89</b>

### NOTE-20. OTHER CURRENT LIABILITIES

(H in lakhs)

Particulars	31.03.2020	31.03.2019
20.1 Outstanding Expenses	192.05	53.74
20.2 Statutory Liabilities	58.15	39.17
20.3 Customer Credit Balance	1,382.71	89.32
20.4 Employees Payable	142.23	88.92
<b>Total</b>	<b>1,775.14</b>	<b>271.15</b>

### NOTE-21. PROVISIONS

(H in lakhs)

Particulars	31.03.2020	31.03.2019
21.1 Provision for Employees Benefits (Bonus)	37.51	37.01
21.2 Provision for Bad & Doubtful Debts	28.62	22.35
<b>Total</b>	<b>66.13</b>	<b>59.36</b>

### NOTE-22. CURRENT TAX LIABILITIES

(H in lakhs)

Particulars	31.03.2020	31.03.2019
22.1 Provision of Income Tax	70.73	32.11
<b>Total</b>	<b>70.73</b>	<b>32.11</b>

### NOTE-23. REVENUE FROM OPERATIONS

(H in lakhs)

Particulars	31.03.2020	31.03.2019
23.1 Sale of Products	51,507.86	47,803.95
23.2 Other operating revenues	529.93	718.82
<b>Total</b>	<b>52,037.79</b>	<b>48,522.77</b>

### NOTE-24. OTHER INCOME

(H in lakhs)

Particulars	31.03.2020	31.03.2019
24.1 Interest Income	133.53	27.11
24.2 Dividend Income	–	–
24.3 Profit on Sales of Fixed Assets	–	–
24.4 Other Non-operating Income	0.68	(0.59)
24.5 Net gain/ loss on foreign currency transactions	194.27	72.81
<b>Total</b>	<b>328.48</b>	<b>99.33</b>

## Notes forming part of the Balance Sheet and Statement of Profit & Loss account

### NOTE-25. EMPLOYEE BENEFITS EXPENSES

(H in lakhs)

Particulars	31.03.2020	31.03.2019
27.1 Salaries & Wages	756.94	684.08
27.1.1 Director Remuneration	161.63	80.00
27.1.2 P.F on Director Remuneration	4.80	2.88
27.2 Contribution to provident and other fund	76.54	52.90
27.3 Staff Welfare Expenses	18.75	18.18
<b>Total</b>	<b>1018.67</b>	<b>838.04</b>

### NOTE-26. FINANCIAL COST

(H in lakhs)

Particulars	31.03.2020	31.03.2019
28.1 Interest Expenses	95.53	165.22
28.2 Other Borrowing Cost	74.23	76.27
<b>Total</b>	<b>169.76</b>	<b>241.49</b>

### NOTE-27 OTHER EXPENSES

(H in lakhs)

Particulars	31.03.2020	31.03.2019
(I)		
27.1 Stores and Spares Consumed	251.96	290.43
27.2 Hexane Consumed	135.60	126.67
27.3 Chemicals Consumed	362.58	280.17
27.4 Coal Consumed	566.56	518.74
27.5 Power Charges	516.49	500.31
27.6 Freight & Cartage	169.96	181.99
27.7 Repairs & Maintenance	94.62	77.87
27.8 Insurance Charges	29.81	22.50
27.9 Water Charges	41.86	29.41
27.10 Miscellaneous Manufacturing Expenses	64.18	58.40
<b>Sub Total (I)</b>	<b>2,233.62</b>	<b>2,086.49</b>
(II)		
27.11 Stationery & Printing	24.23	15.46
27.12 Rent, Rates and Taxes	5.33	10.66
27.13 Postage, Telegram and Telephones	6.70	7.53
27.14 Auditor's Fees	1.95	1.85
27.15 Conveyance Expenses	19.89	23.16
27.16 Legal & Professional Charges	182.74	193.49
27.17 Director's Meeting Fee	2.93	3.75
27.18 Miscellaneous Expenses	47.23	25.91
27.19 Loss on Sale of Fixed Assets	20.59	-
27.20 Corporate Social Responsibility	11.00	-
<b>Sub Total (II)</b>	<b>322.59</b>	<b>281.81</b>
(III)		
27.21 Advertisement & Publicity	2.87	0.58
27.22 Sales Promotion Expenses	135.15	133.25
27.23 Brokerage & Commission	10.80	10.42
27.24 Freight Outward	182.85	173.82
27.25 Sales Tax, Octroi & GST Expenses	3.54	2.77
27.26 Export Expenses	764.68	838.18
27.27 Bad Debts	-	63.10
27.28 Expected Credit Loss	6.27	1.50
27.29 Travelling Expenses	101.92	81.22
<b>Sub Total (III)</b>	<b>1,208.08</b>	<b>1,304.84</b>
<b>TOTAL ( I+II+III )</b>	<b>3,764.29</b>	<b>3,673.14</b>

## Notes forming part of the Balance Sheet and Statement of Profit & Loss account

28. 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.

### 29. Contingent liabilities

- 29.1 Estimated amount of contracts remaining to be executed on Capital Account C13.98 Lakhs (Previous Year C2.88 Lakhs)
- 29.2 Bank has given guarantee on behalf of the Company to various parties to the extent of C147.73 Lakhs (Previous Year C134.69 Lakhs.)
- 29.3 Claims not acknowledge by the company on Commercial tax matters C315.99 Lakhs (Total demand C719.09 Lakhs less demand deposited C403.10 lakhs (Previous Year C335.26 Lakhs).
- 29.4 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 C117.45 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 C117.45 Lakhs till final decision of the matter.

### 30. Remuneration Paid/Payable to Managing Director / Executive Director

Paid / Payable (C In Lakhs)	Current Year	Previous year
Remuneration	50.80	32.88
Commission	115.63	50.00

31. Unpaid overdue amount due on March 31, 2020 to Micro Small and Medium Enterprises and/or ancillary industrial suppliers on account of principal together with interest aggregate to C 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.

Particulars	As at 31.03.2020	As at 31.03.2019
Trade Payable		
(a) total outstanding dues of micro enterprises and small enterprises and	0.00	0.26
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	673.76	1049.86

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, 2020 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.

Particulars	As at 31.03.2020	As at 31.03.2019
i) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;		
Principal	–	0.26
Interest	–	–
ii) the amount of interest credited by the buyer in terms of section 16, of MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	–	–
iii) 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 this Act;	–	–
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	–	–
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	–	–

## Notes forming part of the Balance Sheet and Statement of Profit & Loss account

32. The amount of Foreign Exchange gain/ (loss) included in the statement of profit & loss account is C194.27 Lakhs (Previous Year gain/ (loss) C72.81 Lakhs).

### 33. Corporate Social Responsibility

(H in lakhs)

Particulars	31.03.2020	31.03.2019
Amount required to be spent	41.02	29.29
Amount spent during the year	11.00	0.00

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

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

(b) Table showing changes in present value of obligations

(H in lakhs)

Particulars	31.03.2020	31.03.2019
Present value of obligations as at beginning of the year	95.20	84.62
Interest Cost	7.14	6.77
Current Service Cost	10.00	9.17
Benefit Paid	(2.82)	(7.55)
Actuarial (gain)/loss on obligations	0.64	2.19
Present value of obligations as at end of the year	110.18	95.20

(c) Table showing changes in the fair value of plan assets as on

(H in lakhs)

Particulars	31.03.2020	31.03.2019
Fair value of the plan assets at the beginning of the year	106.93	95.22
Expected return on plan assets	8.49	7.32
Contribution	11.45	11.93
Benefit Paid	(2.82)	(7.55)
Actuarial gain/ (loss) on plan assets	NIL	NIL
Fair value of the plan assets at the end of the year	124.05	106.93

(d) Table showing fair value of plan assets as on

(H in lakhs)

Particulars	31.03.2020	31.03.2019
Fair value of plan assets at beginning of the year	106.93	95.23
Actual return on plan assets	8.49	7.32
Contribution	11.45	11.93
Benefit Paid	(2.82)	(7.55)
Fair value of the plan assets at the end of the year	124.05	106.93
Funded status	13.87	11.73
Excess of actual over estimated return on plan assets	NIL	NIL
(Actual Rate of return= estimated rate of return as ARD falls on 31/03/2020)		

(e) Actuarial Gain/Loss recognized as on

(H in lakhs)

Particulars	31.03.2020	31.03.2019
Actuarial (Gain)/Loss for the year-obligation	(0.64)	(2.19)
Actuarial (Gain)/Loss for the year-plan assets	NIL	NIL
Actuarial (Gain)/Loss for the year	0.64	2.19
Actuarial (Gain)/Loss recognized for the year	0.64	2.19

## Notes forming part of the Balance Sheet and Statement of Profit & Loss account

(f) ) Expenses recognized during the year In statement of profit and loss (H in lakhs)

Particulars	31.03.2020	31.03.2019
Current Service Cost	10.00	9.17
Interest cost	7.14	6.77
Expected return on Plan Asset	(8.49)	(7.32)
Expenses recognized in the statement of profit & loss	9.30	10.81
In Other Comprehensive Income		
Actuarial (Gain)/Loss on Obligation for the period	0.65	4.62
Net (Income)/Expense for the period recognised in OCI	0.65	4.62
Assumption		
Discount rate	7.25%	7.50%
Salary Escalation	7.00%	7.00%

### 35. Deferred Tax Calculations

(H in lakhs)

Deferred Tax Liability/ (Assets)	Current Year	Previous Year
WDV of Fixed Assets as per Income Tax Act	2187.75	1932.21
WDV of Fixed Assets as per Companies Act	4,561.88	4,024.96
Deferred Asset/(Liability) of Depreciation (a)	(1,984.90)	(2,092.76)
Deferred Asset/(Liability) of Provision for Bonus and Leave Encashment (b)	0.00	6.45
Total Deferred Asset/(Liability) on Timing Difference (a+b)	(1,984.90)	(2,086.30)
Closing Balance of Deferred Tax Asset/(Liability)	(499.56)	(729.04)
Less: Opening Balance of Deferred Tax Asset/ (Liability)	(729.04)	(628.97)
Deferred Tax Asset/(Liability) for the year	229.48	(100.07)

36. As IndAS 108-“Operating Segment”, segment information has been provided as under.

(H in lakhs)

	31.03.2020	31.03.2019
(i) Revenue from External Customers		
Within India	42,111.08	38,236.93
Outside India	9,926.71	10,285.84
Total	52,037.79	48,522.77
(ii) Non Current Assets		
Within India	5,460.56	4,924.43
Outside India	-	-
Total	5,460.56	4,924.43

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

Note :

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

### 37. Earning Per Share

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

Sr. No. Nature of Transaction	Current Year	Previous Year
1. Number of Shares	50103520	50103520
2. Profit contribution for Basic EPS (C in Lakhs)	1868.86	1695.08
3. Basic Earnings Per Share	3.73	3.38
4. Diluted Earning Per Share	3.73	3.38
5. Nominal Value Per Share	1.00	1.00

## Notes forming part of the Balance Sheet and Statement of Profit & Loss account

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

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

i. Key Management Personnel:

Shri Shiv Singh Mehta, 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

Shri Sachin Updhyay, Company Secretary

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. Companies/Entities under the control of Key Management Personnel

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

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

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

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

5) Sakam Charitable Trust, Indore

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

(H in lakhs)

Sr. No.	Nature of Transaction	Subsidiary	Key Management Personnel	Relatives of Key Management Personnel	Companies/entities under the control of Key Management Personnel
1.	Remuneration	NIL (NIL)	195.82 (113.99)	NIL (NIL)	NIL (NIL)
2.	Sales of export scheme incentive License	NIL (NIL)	NIL (NIL)	NIL (NIL)	216.23 (625.00)
3	Sale of Consumable Items	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (0.11)
4	Purchase of Consumable Items	NIL (NIL)	NIL (NIL)	NIL (NIL)	9.36 (29.68)
5	Unsecured Loan Given	NIL (NIL)	NIL (NIL)	NIL (NIL)	1200 (800)
6	Interest Received	NIL (NIL)	NIL (NIL)	NIL (NIL)	112.74 (10.51)
7	Rent Paid	NIL (NIL)	0.18 (NIL)	NIL (NIL)	1.94 (7.77)
8	Director Sitting Fees	NIL (NIL)	2.07 (1.68)	0.84 (1.05)	NIL (NIL)
9	Conveyance charges	NIL	0.01	0.01	NIL

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

\*The related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.

## Notes forming part of the Balance Sheet and Statement of Profit & Loss account

### 39. AUDITOR'S REMUNERATION

(H in lakhs)

Auditor's Remuneration:	31.03.2020	31.03.2019
a. Statutory Audit Fees (Net of Taxes)	1.50	1.50
b. Tax Audit Fees (Net of Taxes)	0.25	0.25
c. Certification Charges & Other matters (Net of Taxes)	0.20	0.10
Total	1.95	1.85

### 40. A. Capital Management

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

(H in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest Bearing Loans and Borrowings	—	—
Current maturities of Long Term debts	—	—
Gross Debt	—	—
Less: Cash and Cash Equivalents	46.96	120.11
Net Debt(A)	—	—
Total Equity (as per Balance Sheet) (B)	8646.12	6911.21
Net Gearing (A/B)	—	—

### B. Financial Risk Management

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

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

#### i. Market Risk

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

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

If the interest rates had been 1% higher/lower and all other variables held constant, the company's profit for the year ended 31st March, 2020 would have been decreased/ increased by C9.72 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 hedge 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 despatch 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.

#### 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.

## Notes forming part of the Balance Sheet and Statement of Profit & Loss account

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

### 41. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors have recommended dividend of Re. 0.18/- per fully paid up equity share of C1/- each, aggregating C1,08,72,434/- including C18,53,800/- dividend distribution tax for the financial year 2019-20, which is based on relevant share capital as on March 31, 2020. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date/book closure.

### 42. ESTIMATION OF UNCERTAINTIES RELATING TO GLOBAL HEALTH PANDEMIC COVID-19

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.

43. The Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Liabilities as at 31st March, 2019 and the estimate of Tax Expense for the year ended 31st March, 2020 have been re-measured. As a result there is a reversal of C203.86 Lakhs of Deferred Tax Liability ( DTL) out of C729.06 Lakhs as it was as on 31.03.2019.

### 44. APPROVAL OF FINANCIAL STATEMENTS

The financial statements are approved for issue by the Board of Directors in their meeting held on 29.06.2020.

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As per our Report of even date attached

For R.S.Bansal & Company

*Chartered Accountants*

FRN:000939C

For and on behalf of the Board of Directors

Vijay Bansal

*(Partner)*

M.No. 075344

Shiv Singh Mehta  
*(Chairman & Managing Director)*

DIN 00023523

Purnima Mehta

*(Director)*

DIN 00023632

S.C. Jajoo  
*(Chief Financial Officer)*

Sachin Upadhyay  
*(Company Secretary)*

Place: Indore

Date: 29th June, 2020

# 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**

Mr. Sachin Upadhyay

## **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.)