



# KRITI INDUSTRIES (INDIA) LIMITED

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CIN : L25206MP1990PLC005732

KIIL/SE/2024-25

25<sup>th</sup> May, 2024

Online filing at: [www.listing.bseindia.com](http://www.listing.bseindia.com) and  
<https://neaps.nseindia.com/NEWLISTINGCORP/login.jsp>

To,  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex, Bandra (E)  
Mumbai – 400051  
Symbol – KRITI

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
Mumbai 400001  
BSE Scrip ID: KRITIIND Scrip Code – 526423

**Sub: Submission of 34<sup>th</sup> Annual Report alongwith Notice of Annual General Meeting (AGM) to be held on 18<sup>th</sup> June, 2024 through Video Conferencing('VC') or Other Audio Video Means ('OAVM') at 3:00 P.M. pursuant to Regulation 34(1) of SEBI (LODR) Regulations, 2015.**

Dear Sir/Ma'am,

Pursuant to Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the soft copy of the 34<sup>th</sup> Annual Report for the financial year ended on 31<sup>st</sup> March, 2024 of the company containing the Balance Sheet as at 31<sup>st</sup> March, 2024, Statement of Changes in Equity and the Statement of the Profit and Loss and Cash Flow for the year ended 31<sup>st</sup> March, 2024 and the Boards' Report along with Corporate Governance Report, and the Auditors' Report on that date and its annexures along with the Notice of 34<sup>th</sup> Annual General Meeting.

Kindly note that the 34<sup>th</sup> Annual General Meeting of the Members of Kriti Industries(India) Limited is scheduled to be held on 18<sup>th</sup> June, 2024 at 3:00 P.M., **through Video Conferencing (VC) or Other Audio Video Means (OAVM)** for which purposes the corporate office of the company situated at 8<sup>th</sup> Floor, Brilliant Sapphire Plot No.10, PSP, IDA, Scheme No.78, Part II, Indore (M.P.)452010 shall be deemed as the venue for the Meeting.

You are requested to please take on record the above said document of the Company for your reference and further needful.

Thanking you.  
Yours faithfully,  
For, Kriti Industries (India) Limited

(Tanuj Sethi)  
Company Secretary & Compliance Officer  
Encl.: 34<sup>th</sup> Annual Report for financial year 2023-24 alongwith Notice of AGM.



# DO RIGHT

PIPELINE OF NEW INDIA

**Kriti Industries (India) Limited**  
Annual Report 2023-24

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## Corporate overview

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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, certain forward-looking statements that set out anticipated results based on the management's plan 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.

This annual report is not about polymer pipes.

This Annual Report is about water scarcity, rain-fed farming, construction growth, climate change and a peace of mind.

30  
% of pumped city water that does not reach homes

Kriti Industries (India)Limited.

A polymer pipes brand that has been in existence for more than four decades.

A trusted partner that has serviced the needs of thousands of farmers.

A solution-oriented company that provides customers with an enduring peace of mind.

A governance-driven modern face of business that inspires a recall for responsible growth.

A respected corporate citizen committed to enhance value for all stakeholders in a sustainable manner.



### Our vision

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



### Our 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



### Our mission

Kriti undertakes to dedicate itself and all its resources to achieving global excellence in the present sectors of operations and seeking growth via diversification.



### Our background

Kriti Industries (India) Limited commenced business in 1982. The Company is promoted by Mr. Shiv Singh Mehta (Chairman and Managing Director), backed by a team of competent senior and middle level managers who enjoy a multi-year exposure across sectors. The Company's employee strength stood at 635 as on 31st March, 2024.



### Our business

The Company is engaged in the manufacture of polymer pipes. These comprise Poly Vinyl Chloride (PVC) and Poly Ethylene (PE) pipes used in the downstream applications of potable water supply, irrigation, building construction and infrastructure. The Company possesses a diverse pipes mix across sizes (small to large in diameter) covering classes and ratings.



### Our governance

Kriti Group comprises two listed companies - Kriti Industries (India) Limited and Kriti Nutrients Limited. These companies have commanded respect due to their ethical business approach, transparent strategy, credible Board members, extensive automation, training, empowerment, rigorous compliance standards and a robust Balance Sheet.



### Our presence

The Company's headquarters are based in Indore; its manufacturing facility is located in Pithampur. The Company's sales footprint extended across 19 States in FY 2023-24. Kriti deepened its presence across Madhya Pradesh, Rajasthan, Punjab, Haryana, Andhra Pradesh, Gujarat, Karnataka, Uttar Pradesh, Maharashtra and Telangana.



### Our brand

The Company's proprietary brand Kasta commands a superior recall and traction for consistency, quality and service



### Our listing

The Company's shares are listed on the BSE Ltd. and National Stock Exchange of India Limited. The Company's market capitalisation stood at ₹662.46 Cr as on 31st March, 2024. The promoters owned a 66.35% stake in the Company's equity capital.



### Our performance, FY 2023-24

The Company reported revenues of ₹866.63 Cr and profit after tax of ₹21.41Cr in FY 2023-24.



### Shareholding pattern as on 31st March, 2024

33.65%

Public

66.35%

Promoter



### Segmental revenues as on 31st March, 2024

1%

Micro-irrigation

12%

Building products

26%

Industrial solutions

61%

Agriculture



### Our consolidated manufacturing facility

Largest single location polymer pipe manufacturing plant in India

1,49,400 TPA

Installed capacity



### Segmental revenues as on 31st March, 2024

25

Number of extrusion lines for PVC pipes

16

Number of extrusion lines for HDPE and drip irrigation

30

Number of injection moulding machines



- Entered business with a single screw extruder for manufacturing rigid PVC pipes

1983

- Listed on BSE

1994

- Added a new range of injection molding products
- Widened offerings of RPVC pipes

1995

- Commenced manufacture of polyethylene pipes

1998

- Commenced the supply of co-extruded internally lubricated HDPE telecom ducts for laying optical fibre cables

1999

## Our journey across the decades

2000

- Started the manufacture of HDPE pipes of 450 mm diameter for potable water supplies and sewage disposal applications; commenced the manufacture of PLB HDPE ducts

2001

- Initiated production of Poly ethylene pipes
- Received ISO 9000
- Processed 15,000 tonnes of plastics

2003

- Expanded the plastic products range
- Widened the business to Rajasthan and Maharashtra
- Added leading institutional and government department/ customers

2004

- Commissioned state-of-art facilities for white goods and automobile applications

2009

- Commenced the manufacture of large diameter pipes

- Started the manufacture of a range of micro-irrigation pipes
- Demerged the edible oil and soya business into Kriti Nutrients Ltd.

2010

- Introduced CPVC products, addressing the building products vertical
- Introduced gas pipes high diameter pipes 710 MM

2014

- Commenced the supply of PE pipes for Reliance's coal-based methane project

2015

- Launched Mission Udaan addressing the sales and manufacturing functions

2017

- Widened the sales network to new states / territories
- Enhanced capacity process and efficiency of building product including CPVC Pipes

2018

2019

- Ventured into water tank business

2020

- Embarked on various HR and business transformation initiatives

2021

- Got listed on NSE

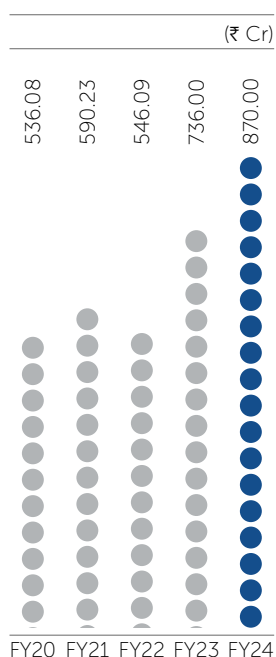
2022

- Enhanced product range in agriculture, building products and column pipes

2023

- Awarded Best Brand by ET Edge
- Added new manufacturing unit for column pipes

# Our five-year financial snapshot



## Revenues

### Definition

Growth in sales, net of taxes.

### Why this is measured

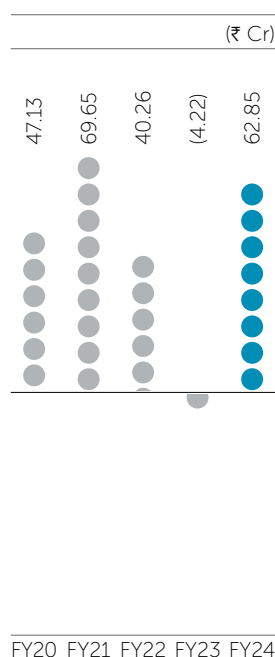
It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the company's performance can be compared with sectoral peers.

### What this means

Aggregate sales increased 18% during the year under review on account of an increase in volume.

### Value impact

The volume offtake remained creditable in an otherwise challenging year for the economy, protecting the Company's industry visibility.



## EBITDA

### Definition

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

### Why this is measured

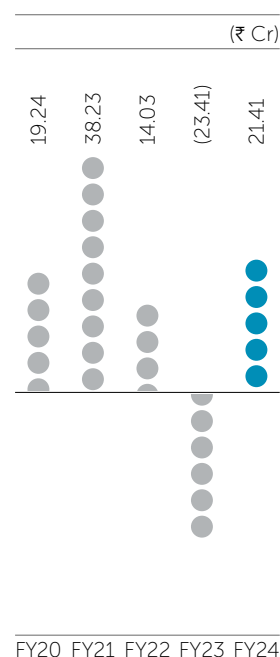
It is an index that showcases the Company's ability to generate a surplus after operating costs, creating a base for comparison with sectoral peers.

### What this means

Helps create a robust surplus-generating engine that facilitates reinvestment.

### Value impact

The Company reported a ₹62.85 Cr. EBITDA in FY 2023-24 (second highest in its existence) due to better margins and a superior product mix.



## Net profit

### Definition

Profit earned during the year after deducting all expenses, taxes and provisions.

### Why this is measured

It highlights the strength of the business model to enhance shareholder value.

### What this means

This ensures the quantum of cash available for reinvestment.

### Value impact

The Company reported a profit after tax ₹21.41 Cr in FY 2023-24 due to higher volumes, better margins and a superior product mix.



FY20 FY21 FY22 FY23 FY24

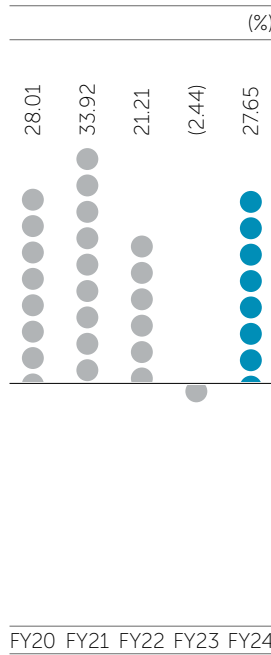
**EBITDA margin**

**Definition**  
EBITDA margin is a profitability measure to ascertain a company’s operating efficiency.

**Why this is measured**  
The EBITDA margin provides an index of how much a company earns (before 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 enhance the business surplus.

**Value impact**  
The Company reported an EBITDA margin of 7.22% in FY 2023-24 on account of higher volumes and a better product mix.



FY20 FY21 FY22 FY23 FY24

**RoCE**

**Definition**  
This financial ratio measures efficiency with which capital is employed in the business.

**Why this is measured**  
RoCE is an insightful metric to compare profitability across companies based on their capital efficiency.

**What this means**  
Enhanced ROCE can potentially drive valuations and market perception.

**Value impact**  
The Company reported a 3009 bps increase in ROCE in FY 2023-24 following an increase in volumes and profitability



FY20 FY21 FY22 FY23 FY24

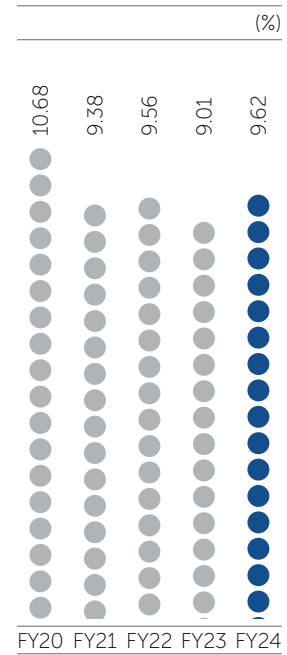
**Gearing**

**Definition**  
This is the ratio of debt to net worth (less Revaluation Reserves).

**Why this is measured**  
This is one of the defining measures of a company’s solvency and liquidity.

**What this means**  
This indicates whether the company enhances shareholder value by keeping the equity side constant and progressively moderating debt.

**Value impact**  
The Company’s gearing stood at 0.38 in FY 2023-24 compared to 0.28 in FY 2022-23 following increased borrowings.



FY20 FY21 FY22 FY23 FY24

**Debt cost**

**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 the 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 a decline in debt cost.

**Value impact**  
The Company’s debt cost was 9.62% in FY 2023-24 on account of increase in the rate of interest charged.

# Expanding our reach

Delivering excellence across 14 states



# Our esteemed clientele



Do

# Right

At Kriti Industries, 'Do Right' is a commitment to capitalise on the opportunities of the day.

This commitment is complemented by speed, strategic clarity, adequate investment and a long-term direction.

At the company, this commitment has been underscored by investment just when it is right.

It is underscored by a commitment to invest without stretching the Balance Sheet.

It is accompanied by the possibility of transforming the company's brand.

It is complemented by all those initiatives that make capitalising on the opportunity responsible, profitable and sustainable.

These priorities were demonstrated during a competitive FY 2023-24 when the company reported a growing revenue proportion from new products and established a pathway for attractive possibilities.



# ...And how this philosophy is lived at Kriti Industries

At Kriti Industries, we have always believed that 'Do Right' is more complex than appears at first glance.

We are engaged in a business where even a small error can translate into a large leak that affects the customer's viability or respect.

We are engaged in a business where the cost of locating and correcting the error can be large, affecting mutual profitability.

We are engaged in a business with a premium on the capacity to protect raw material integrity across periods of price volatility.

We are engaged in a business where the biggest business input is discipline – not just as a tactical response but as a way of life.

We are engaged in a business where the standard of the day is extending beyond mere product supply to a one-stop service solution.

This discipline has been described as the capacity to 'Do Right'. Each time. Every time.

With the objective not just to make products better.

But to win that one precious business attribute that is the objective of all product and service providers.

Trust.

**Respect for human dignity**

Core of our existence

**Culture**

Driven by a distinctive passion

**Investing for the long-term**

Influences our thoughts and actions

**Deepening our governance**

Focus on doing the right things and doing things right

**Integrity**

To work and think with the highest ethical conduct

**Compliance**

Respect for statutes, regulations and laws of the land

**Process-driven**

Focus on the 'how' over the 'what'

**Value-addition**

Focus on superior products, quality and realisations

**Brand promise**

Deepen recall around 'Trust' and 'Quality'

**Relationships**

Face-to-face relationships with primary and secondary customers

**Value**

Commitment to enhance value for all stakeholders

**Solvency**

Credible Balance Sheet with liquidity and credibility

**Technology**

Investing in performance-enablers

# The PVC pipes sector is more about climate change, farm economy, water stress than it is about polymers and pipes

## Overview

There is a growing recognition that the drivers of the PVC pipes sector comprise factors fundamental to the existence and prosperity of humankind.

Water transmission is a subject that is developed and mature in global pockets and surprisingly under-explored in the developing world, making it imperative for populations to cluster around water availability, displacing people from their roots. This is also compelling people, especially women, to spend hours each day to haul water on their heads across distances, extending the subject from mere resource availability to women's empowerment. The use of polymer pipes to transmit water across rural areas is now being seen as a gender equaliser, liberating women from the manual engagement and moving them towards livelihood creation.

The population of India was around 0.36 Billion in 1950 and is now estimated in excess of 1.42 Billion, the most populous in the world, a fundamental driver of PVC pipes offtake. This is because with more mouths to be fed, there is a greater focus on better water availability that encourages the use of polymer pipes.

Climate change is resulting in erratic weather patterns, with some regions inundated with rain and others remaining unusually deficient, putting a premium on water transmission capacity and the use of a dependable media like PVC pipes. The increasing traction for micro-irrigation – largely with government support - is widening the market for polymer pipes, backed by superior farm outcomes.

A large health care expense for India is being incurred on account of water stress, manifested in low

health care and sanitation standards, a reality that can be addressed through the use of long-distance polymer pipes.

A greater environment consciousness within industries is prompting the proactive investment in resource conservation and reducing environment load, catalysing the offtake of polymer pipe consumption.

As society earns more, its spending on housing will rise, strengthening the offtake of polymer pipes. Besides, as cities grow faster and put a pressure on water systems, there will be a greater use of polymer pipes (and tanks) in storing water.

There is an overall industrial movement towards digitalisation and clean fuel sources that is extending the use of polymer pipes from water and construction to gas, creating multiple engines for long-term demand growth.

Sustained population growth

Increased prosperity

Growing focus on urban water security

**The tailwinds for the polymer pipes sector**

Erratic weather and rainfall patterns

Users switching from legacy metal

Micro-irrigation a long-term demand driver

Widening city gas and telecom networks

Farm sector

Digitalisation

Urbanisation

**The principal industrial catalysts of polymer pipes**

City gas distribution

Industrialisation

Wastewater management

# The PVC pipes sector in numbers

## The world

**61.38**

US\$ Billion, the global water and wastewater pipe market, 2021

**120.94**

US\$ Billion, the global water and wastewater pipe market, 2032 (estimated) (Source: Persistence market research)

**6**

%, projected loss of GDP by 2050 for countries from West Africa through the Middle East, South Asia to Japan due to water scarcity (Source: World Bank)

**81**

% of the world's population with access to safe drinking water at home by 2030 if current trends persist (Source: WHO)

**1.6**

Billion people in the world without access to safe drinking water at home by 2030 if current trends persist (Source:WHO)

**~20**

% of water lost from leaky pipes in industrialised countries, 2021

**40**

% of the world's population that lives in water-stressed areas today

**50**

% of the world's population that will live in water-stressed areas by 2025

**10**

% annual increase in the water infrastructure maintenance and repairs segment (Source: CanaccordGenuity)

**60**

% of the world's total fresh surface water resources concentrated in nine countries

**8**

% of the world's population in North America

**15**

% of the global water supply in North America

**21**

% of the world's population in China

**7**

% of the world's water supply in China

**1.8**

Billion people living with absolute water scarcity by 2025 (Source: Nasdaq)

**50**

US\$ Billion, estimated spending in 10 years on trenchless technologies (Source: CanaccordGenuity)

**50**

US\$ Billion, estimated spending on the shift from iron and steel to plastic pipes in 10 years (Source: CanaccordGenuity)

**70**

% of the global population in 2016 with safely managed drinking water at home

**74**

% of the global population in 2020 with safely managed drinking water at home

**6**

% of the global population that does not have access to an improved water source

**20-40**

% of water lost from leaky pipes in developing countries, 2021

**1/150**

The proportion of fresh surface water of the total water on earth

**5.3**

% growth in the global water and waste water industry in 2022

**400**

Million school days lost each year due to water-related diseases, 2021 (Source: lifewater.org)

**22**

% of health care facilities in least developed countries with no water service (Source: lifewater.org)

## India

133

Global rank of India by water availability per person per mm

33

Per cent of the Indian landmass that receives annual rainfall less than 75 cm. (Source: toppr.com)

11

Number of Indian States and Union Territories that have reported that more than 50% of their districts were either deficit or large-deficit in rainfall in 2021

34

% of India's 694 districts that reported deficit rainfall in 2021 (Source: downtoearth.org)

5.3

US\$ Billion, India's wastewater treatment plants market in 2027(estimated) (Source: Blueweave consulting)

19

% of the Indian landmass that receives abundant rainfall

81

% of the Indian landmass that suffers from rainfall deficiency (Source: tripoto.com)

1816

Cubic metres, average annual per capita water availability, 2001

1367

Cubic metres, average annual per capita water availability, 2031 (estimated)

2.6

US\$ Billion, India's wastewater treatment plants market in 2020

4

% of the world's fresh water that is in India

16

% of the world's population that is in India

8

% of India's rainfall and other sources that is collected

250

Billion cubic metres per year of India's ground water consumption

458

BCM, rate at which India fills ground water aquifers per year

650

BCM, rate at which India draws water from the earth

65

% of India's agriculture water resource drawn from under the ground

80

% of India's manufacturing water resource drawn from under the ground

5000

mt cube per person of storage infrastructure in the world

200

mt cube per person of storage infrastructure in India

&gt;2x

Times, India's higher ground water consumption compared to China and US combined

# At Kriti Industries, we believe that India is at the cusp of an infrastructure boom

## Urbanisation

According to UN World Urbanisation Prospects 2018, 50% of India's population could reside in urban centres in 2050 compared to 31% in 2011, which could accelerate the demand for housing infrastructure.

## Increased Smart Cities

According to the report of the Parliamentary Standing Committee on Housing and Urban Affairs in March 2023, 68% (5,343 out of 7,821) projects have been completed under the Smart Cities Mission; the number of Smart Cities is expected to drive infrastructure growth.

## Make in India

The Make in India initiative emphasises the need to rejuvenate the manufacturing sector. The production-linked incentive has acted as a building sector catalyst.

## Enhanced road connectivity

India comprises the second largest road network after US, growing 59% in nine years. With the help of advanced construction technology, India is building nearly 40 km of roads per day (about 5 km a decade ago), which could trigger the next round of infrastructure growth – more homes.

## Irrigation wastage

In India, nearly 84% of water usage is allocated to agriculture in 2023. Within this figure, nearly 70% of irrigation water is lost due to inadequate management practices. (Source: Central Water Commission)

### High speed train projects

India's high-speed rail network will connect major cities (New Delhi, Mumbai, Ahmedabad, Chennai and Kolkata); India's first bullet train is expected to be operational by August 2026.

### Railway station refurbishment

According to the Amrit Bharat Station scheme, 508 Indian railway stations will be refurbished at a cost of more than ₹24,470 Cr.

### Increased airports

India's operational airports doubled from 74 in 2014 to 148 in 2023 and the number is expected to rise.

### Increased tourism projects

The Government intends to develop up to 50 new tourist destinations; it aims to create malls in State capitals to showcase handicrafts and products with geographical identification status.

### Green building practices

As sustainability becomes integral to construction practices, there is a growing market for PVC pipes on account of their eco-friendly properties - recyclable material and consumes less energy compared to metal alternatives.

### Growing urbanisation

In 2023, the urban population of India was 36.4% of its total population. Between 2022 and 2047, India's urban population is projected to increase by 328 million. (Source: ET government, Knoema)

### Construction sector

In 2022, the Indian construction sector boasted a market size of approximately US\$ 701.7 Billion and is anticipated to witness a compound annual growth rate (CAGR) of over 6% from 2024 to 2027. This sector in India encompasses both real estate and urban development. As of 2023, the commercial real estate market in India is valued at US\$ 20.71 Billion, projected to expand at a CAGR of 21.20% from 2023 to 2028. Contributing 9% to India's GDP and employing 51 million individuals, it stands as the second-largest employer in the country. (Source: LinkedIn)

### Dependence on rainfall for farming

An adequate and evenly spread monsoon is vital for the 61% of Indian farmers reliant on rainfall for agriculture. Rain-fed farming contributes to 40% of the nation's total food grain output. The monsoon's precipitation is crucial for sustaining optimal water levels in the country's key 140 reservoirs. In total, 55% of India's cultivated land (139.42 million hectares) depends on rain and supports the growth of 34 out of the country's 40 main crops. (Source: Down to Earth, Business Standard, India Today)

### Natural gas consumption

The government plans to increase natural gas consumption from 185 MMSCMD to 500 MMSCMD by 2030. Over 33,753 Kms of natural gas trunk pipelines are authorised in India out of which around 24,623 Kms of pipeline are currently operational. (Source: pib.gov)



Principal viewpoint

.....

We are at an  
inflection  
point in our  
existence

.....



## Overview

The principal message that I seek to communicate is that Kriti Industries is at an inflection point in its four-decade existence.

The inflection is on account of two reasons – the transforming India story and the responsiveness of Kriti Industries.

Presently, India is providing the transmission infrastructure sector with an unprecedented opportunity. Kriti Industries will not merely ride this wave; it has embarked on initiatives that will empower it to outperform.

The context of my optimism is that never since the 1991 liberalisation has India been as optimistic about its economic prospects as now. The reasons are evident: China's economic growth in percentage terms is slowing from its erstwhile average, Britain and Japan have entered a recession, US economic growth appears tentative and while all this is transpiring, India continues to grow more than 7% quarter on quarter.

This growth is being driven by the emergence of rural and semi-urban India as the country's economic engine. The broad-based policies of the last decade and the trickle-down effect of the Indian economy have resulted in the emergence of

rural India as a robust consumption driver. This consumption appetite is being sustained on account of the extensive under-consumption across a range of products that are now correcting faster on account of an increase in rural incomes and aspirations.

## Positive national outcomes

The result is that rural poverty is declining. India's poverty rate of 4.5-5% in 2022-23 reported a sharp decline from what it was a decade ago; rural poverty declined to 7.2% in 2022-23 from 25.7% in 2011-12 (Source: Household Consumption Expenditure Survey). The gap between urban and rural household consumption narrowed as well;

between 2011-12 and 2022-23 with the bottom 50% of the households increasing their spending slightly faster at 2.69 times compared with 2.63 times for the top 50%. Since 2005, India lifted around 415 million people out of multidimensional poverty.

The outcome of this transformation is proving to be remarkable. India is expected to contribute 24% to the global middle-class growth (192 million people). A decade ago, India's GDP was the 11th largest; last year, India emerged as the fifth largest economy and is likely to move into fourth place by 2025, third by 2027 and possibly a US\$ 10 Trillion economy in the next decade.



rural household spending increased 2.6 times and urban household spending 2.5 times since 2011-12. The gap between urban and rural consumption narrowed to 1.71 times in 2022-23 from 1.8 times in 2011-12. Rural households spent 53% on food a decade ago, which declined to 46%; average spending on non-food items by rural India surpassed the 50% mark for the first time in 2022-23 (Source: Ministry of Statistics and Programme Implementation). Owing to faster rural consumption, the difference in average monthly consumption expenditure between rural and urban households narrowed to 71.2% in 2022-23 from 83.9% in 2011-12. Average rural spending jumped 2.64 times

The sector where the trickle down of India's economic growth could reflect more visibly than ever will be housing. As Indians earn more, they will need to live better. This will translate into a growing need for larger homes, multiple homes and better homes. Inevitably, this aspiration is expected to translate into a growing demand for CPVC pipes.

## Attractively placed to capitalise

During the last financial year, company's revenue grew by 18.5% in spite of raw material prices declining and influencing a downward movement for end

products. Reduced value enhanced affordability and widened the market for the product. The fact that we sold 28% more by volume is indicative of the company’s brand effectiveness.

At Kriti Industries, we are attractively placed to capitalise on the industry optimism. The company has been a PVC pipes manufacturer for more than four decades, addressing the needs of the country’s agricultural sector. During this period, Kriti Industries – through its Kasta brand – has been trusted by thousands of farmers across 14 Indian States. These farmers have turned to Kasta as their brand of preference for superior product quality and timely

and create an incentive for capacity expansion, the basis of incremental stakeholder value creation; the business is at the bottom end of a large growth curve following government incentives on the one hand and a greater desire for people to live better; this space is relatively under-populated by trusted national brands, creating an attractive opportunity.

At Kriti Industries, we have weathered some of the most demanding challenges in the last few years – the pandemic-induced slowdown, more player price volatility and an unexpected fire within the company’s manufacturing facility. These challenges

**Confident of prospects**

At Kriti Industries, we are confident of our prospects on account of the coming together of robust pedigree and passion. The company’s gearing (long-term debt only) at the close of the year under review was an under-borrowed 0.38, indicating that the company’s Balance Sheet is primed for growth. The company’s principal asset of its Kasta brand continues to be respected for ethical engagement and superior consumer value. Besides, the company’s prudent balancing of risk management and opportunities should empower it to widen its pan-Indian distribution footprint without compromising profitability.

In view of these realities, we are optimistic that Kriti Industries will grow attractively and sustainably from this point onwards. The company is likely to make a more effective utilisation of its accruals, stay relatively under-borrowed, extend deeper into the country, address two large downstream applications and leverage its positive recall.

I am optimistic about our prospects of scaling revenues faster from this point, smoothing seasonal revenue variations, moderating our excessive dependence on one sector and emerging as a more faithful proxy of the buoyant India story.

**Shiv Singh Mehta**  
Chairman

.....  
 At Kriti Industries, we have weathered some of the most demanding challenges in the last few years – the pandemic-induced slowdown, more player price volatility, and an unexpected fire within the company’s manufacturing facility.  
 .....

service resulting in a superior price-value proposition. Farmers who select Kasta over competing brands do so because – in their opinion – the company is a friend-philosopher-guide that provides more than just a product but provides a solution that takes the farmer’s livelihood ahead.

At Kriti Industries, we believe that we have matured our Kasta brand to a point where it can be extended from a principal application sector to a new sector. This new sector that the company seeks to address is that of housing. There are a number of advantages in this rapidly growing space: the business is barely non-seasonal which makes it possible to achieve rated capacity utilisation

notwithstanding, the company did more than merely tide over and survive; it discovered a new spirit. This spirit was manifested in pushing the frontier in terms of talent recruitment, professionalisation of the management through extensive delegation, creation of new business leaders at each managerial level, and deeper governance standards. The result is that the new Kriti is not only focused and nimble but more productive, reflected in attractive business initiatives in the last few months. These initiatives comprised the commissioning of a new column casing and fittings manufacturing capacities benchmarked in line with the best standards of the day.



## Operational review

The complement of building products with agriculture applications is expected to enhance our urban visibility and brand

## Overview

**At Kriti Industries, we are engaged in the manufacture of PVC pipes with two principal applications – agriculture and construction (home building).**

The use of our pipes in the agriculture sector has extended across the decades. The pipe market for these applications is growing at around 5% each year; the construction segment for these pipes is growing at 12% a year.

There is growing traction for these pipes in the construction sector for factors that appear irreversible, creating the optimism that this segment enjoys a multi-year momentum.

**One**, the competence of government policies driving the growth of the home building and construction sectors is not just pulling the polymer pipes segment ahead; it is pulling the nation ahead. The government is catalysing this momentum through a focus on affordable homes, interest rate subvention, affordable housing finance, Housing for All (Pradhan Mantri Awas Yojana), Har Ghar Jal priority (water on tap) and the city gas distribution network, which are widening the application of polymer pipes. The government

has announced long-term policies, expected to catalyse the offtake of pipes and more specifically pipes in the construction segment.

**Two**, analysts place India at 15 years behind China in the economic growth story. This indicates that India is likely to follow China's urbanisation example, reflected in nearly 55% of that country being based in its urban clusters, compared to around 35% in India. Across the years, one foresees that as urbanisation accelerates in India, construction could increase, and this could be accompanied by a larger offtake of polymer pipes for the building products segment.

## Initiatives

The message that I wish to communicate is that the potential of this emerging business was corresponded by distinctive initiatives during the last financial year.

The company invested in relevant technologies that will translate into an upgraded quality of building product pipes.

The company engaged in a product development priority that should translate into the availability of a wide range of building product pipes.



At Kriti Industries, we are engaged in placing a sizable bet on pipes addressing the building products segment. Last fiscal year, this segment contributed 12% of our revenue, and we anticipate this share to grow steadily. This evolution will reshape our company's identity, emphasising our expansion into product development while preserving our commitment to agricultural solutions.

The company leveraged its extensive brand goodwill to reach out to credible distribution partners.

The company invested in a sales and marketing team, expected to enhance visibility for the product, brand and company.

## Attractively placed

At Kriti Industries, we are attractively placed to take this business segment ahead.

The 'Kasta' brand that we have been marketing for nearly four decades is extensively respected for a superior value proposition across the farming community.

The company markets pipes in Madhya Pradesh, Rajasthan, Maharashtra, Uttar Pradesh and pockets of South cum Central India, which are logistically proximate. As we deepen our presence in the micro-markets of these States, we expect to widen our presence into contiguous States as well, a phased and de-risked approach.

During the last financial year, the company generated 11.90% of

financial year. The company intends to extend into additional SKUs, a majority comprising value-added products. The margins profile of this business segment continues to stay stable; the company will consciously add premium fittings and products to its portfolio, enhancing profitability.

**Outcomes**

We have been asked what the complement of the application segments will do for our business.

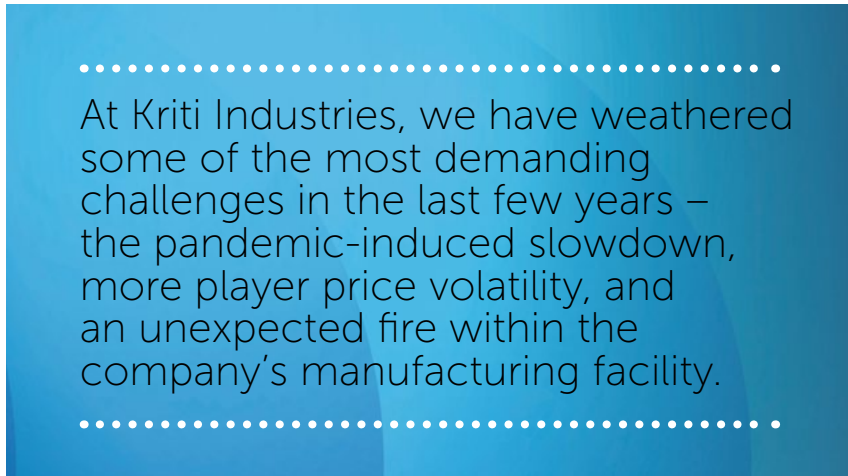
We believe that the coming together of the building product and agriculture pipes will make revenues

brand, strengthening our corporate valuation.

The emergence of a second application is likely to seed our organisation with a new mindset, marked by urban pulls and priorities.

This new personality represents a seminal point in our existence and I can only foresee exciting developments going ahead.

**Saurabh Singh Mehta**  
Director



its revenues from addressing the construction sector; in three years, the company expects to increase revenues from building products to around 40% – on a larger turnover.

As our offtake increases, we expect costs to be covered faster, strengthening profitability. In view of this, the larger we grow our building products segment, the higher could be our projected profitability.

The agricultural pipes, the revenue mainstay of the company, performed creditably during the last

perennial, strengthening our capacity utilisation. Besides, this is likely to translate into a higher return on employed capital since invested resources could help enhance our turnover.

A large throughput will make it possible for the company to generate superior raw material procurement economies.

The complement of building products is expected to enhance our urban visibility and overall



# How Project ANANT has helped strengthen our business



## Overview

At Kriti Industries, we envisioned Project ANANT with Renoir Consulting, seeking to expand our building product business. The building product industry demonstrated a CAGR of 12% in five years following the rebound of the construction industry in recent years. This initiative is expected to moderate a reliance on the seasonal agriculture sector and broaden the portfolio with a dependence on perennial sectors.

### Project objective

The objective of the project is to transform the sales profile of building products across the following project focus areas:

Annual operating planning and sales forecasting

Budget preparation, manpower and marketing

Distributor network expansion and management

Trade policy definition, management and implementation

Salesforce effectiveness, training and performance management

### Project highlights, FY 2023-24

**Strategic planning and implementation:** The Company developed a comprehensive go-to market strategy with an implementation timeline and realisation plan. This comprised the sales process, pricing and scheme strategies in addition to sales channel identification.

**Cross-functional collaboration:** The Company's sales projects involve collaboration with other departments (marketing, production and customer support). Effective coordination and communication between them has enhanced project outcomes.

**Sales training and development:** The Company provides sales training and development covering product knowledge, job realities, sales technique and ongoing skill development.

**Performance monitoring and analytics:** The Company ensures regular monitoring of sales performance using key performance indicators. Structured review meetings at all stakeholder levels are allowed for real-time adjustment and improvement areas in measuring project success.

### Outcomes, FY 2023-24

**Topline growth:** The Company recorded a sales growth of 88% in volume and 76% in value for building product pipes.

**Sales force effectiveness:** The Company's sales call increased 2x, optimising beat planning; productive calls increased 30%.

**Network expansion:** The Company strengthened its distribution network 1.8x, developing markets in Uttar Pradesh, Punjab, Haryana, Odisha and Maharashtra. The Company opened 25+ key accounts pan-India.

**Salesforce management:** The Company developed a structured review mechanism, enhancing planning and alignment among cross-functional stakeholders.

# How we created an exciting place for employees

Our employees speak about what makes Kriti Industries an exciting place to be in

"As Head IT, my journey has been a dynamic blend of technology, strategy and leadership. From spearheading digital transformations to fostering a culture of continuous learning, every day brings new opportunities to innovate and evolve. Collaborating with cross-functional teams and staying abreast of industry trends has been instrumental in driving organisational success. As I continue to navigate the ever-changing landscape of IT, I am fueled by a passion for learning and a commitment to driving meaningful change that propels Kriti Group into the future."

**Garima Singh**, Senior General Manger, IT

"One is comfortable in this company on account of its value system, culture, management and empowerment. I joined as an Assistant Company Secretary and then worked across departments including Executive Assistant to the Chairman. This helped grow me from one role to another."

**Hemant Nagar**, General Manager, Institutional Sales

"Working at Kriti Group has been an incredible experience. The supportive and collaborative culture, combined with challenging and meaningful work, makes coming to work every day a joy. Another great thing about working at Kriti is that a 'typical day' is never typical, there is always something challenging happening and every day is filled with new learning opportunities."

**Rajesh Sisodia**, Chief Financial Officer

"I joined with no knowledge of SAP and related technologies. The Company provided me the opportunity to work with other departments and expand my knowledge in project related developments and the impact of government policies. I was given the opportunity to coordinate with a new consultant, another learning opportunity expected to catalyse my career."

**Anand Jatav**, Senior Executive, Sales and Administration

"During the pandemic, the management chose not to panic and take a short-term view of the business. The result was that the Company improved its institutional business thereafter."

**Paresh Somani**, Manager, Commercial

"I shifted to Indore to work at Kriti Industries and my wife tested Covid-positive. We did not know anybody in this city. The Managing Director helped with her hospitalisation and subsequent recovery. This human touch makes Kriti different from other companies."

**Satyajit Chatterjee**, Senior Manager, DTO

"I have been with Kriti Industries for 24 years aur inki jitni taareef karo kam hain. Be it compensation, professional growth, employee-centric policies, and work culture, the company has met employee expectations. The Managing Director provided complete support when I decided to pursue my MBA (alongside my job) and did the same for other colleagues as well."

**Anand Naik**, Regional Sales Manager - Agriculture

# How we have enhanced value for our customers

At Kriti Industries we deliver our customers with a distinctive 'POM' – peace of mind

"Two years ago, there was a problem detected in a customer's pipeline, comprising a coupler leak. The complaint was passed on to Kriti. The company swung into action to replace the pipes; the customer's expense related to the installation of new pipes was compensated by Kriti. No wonder trade partners swear by Kriti's integrity."

**Sandeep Pawar**, trade partner

"The Company's branding, promotion and marketing guidance helped attract more customers that grew my business. Challenges related to product and pricing have always been resolved through mutual dialogue. We once requested the management to produce a pipe variant beyond the routine but in a lower quantity to address a customer's requirement. The Company agreed and this delighted our customer."

**Harish Khandelwal**, trade partner

"We have been associated with Kriti Industries since 1995 and until 2013, we distributed the products of other brands with Kriti. After 2013, we focused only on Kasta and the result has been unprecedented growth. The Company organises meetings with plumbers and takes other initiatives, enhancing brand trust and offtake."

**Brijesh Gupta**, trade partner

"We are among Kasta's oldest distributors with a three-decade association. The Company is committed to providing superior product quality, adequate supplies during shortage and the result is that we have always done well. I have developed the confidence to provide growth ideas to the company, evolving me from a primary customer into a partner."

**Manakchand Bothra**, trade partner

"I am a farmer besides being a Kasta distributor. My Kasta association has empowered me to achieve a 70% turnover increase since 2012. The company's PVC pipes are best-in-class; the values of Kriti and business objectives are taken in the best interests of farmers."

**Gajrajji Sondhia**, trade partner

"I have been associated with Kriti since inception. The Company's market share has consistently grown for good reasons: transparent trade policy for distributors and respect for our opinions by the senior management."

**Umashankar Patidar**, trade partner

"Before engaging with Kriti Industries, our relationship with any pipes company would not last more than two years. My relationship with Kriti is 10 years old due to the company's culture of apnaapan. The Managing Director is only a phone call away for dealers and the company's dealer priority is evident from its dealer and sub-dealer schemes that provide us with an income even during the off-season."

**Sanjay Advani**, trade partner

# ESG represents the cornerstone of our business



## Overview

ESG has emerged as a critical test used the world over by analysts, opinion makers, governance agencies, media, communities and bankers to appraise corporate managements. This has effectively extended appraisal beyond the Balance Sheet, a decisive development that shifts attention from the quantitative to the qualitative.

The Environment segment of the business addresses the various

initiatives taken by the Company to moderate carbon footprint through a responsible utilisation of finite resources coupled with compliances.

The Social component of ESG comprises a mix of the Company's relationships – with vendors (land, capital equipment and raw materials), employees, customers and communities.

The Governance component comprises a review of how the Company intends to manage

its business, comprising an understanding of processes, practices and systems.

The combination of E, S and G covers every relevant aspect of operations of the Company critical to its sustainability. There is a growing recognition that even a company beginning to respect ESG standards is on a journey towards becoming a global benchmark and likely to be evaluated favourably anywhere.

### Environmental priorities

- Moderate carbon footprint
- Protect biodiversity
- Employ 5R's (replace, re-use, renewable, recycle, reduce)
- Improve the environmental rating
- Continuous environment audit and investment
- Periodically disclose environment performance

### Social priorities

- Large workforce
- Focus on knowledge, experience and retention
- Training in skill development and renewal
- Culture of passion
- Catering to key customers
- ₹0.19 Cr CSR investment FY 2023-24

### Governance priorities

#### Code and values

- Code of Conduct
- Whistle blower policy
- Anti-bribery and anti-slavery policy
- Remuneration policy
- Corporate-Environment-Health-and-Safety Policy
- ESG commitment

- Employee care and fairness
- Prevention of Sexual Harassment (POSH)
- Code of Practices for Fair Disclosure
- Code of Internal Procedures and Conduct for Insider Trading

#### Structure and oversight

- Board with strong independence
- Business Responsibility Policy

- Fully Independent Audit Committee
- Risk Management Policy

#### Transparency and reporting

- Material event policy
- Related party transactions
- Quarterly self- declarations on the web



## Our environment commitment

At Kriti Industries, we are committed to the optimum utilisation of environmentally responsible resources, recycle waste, reduce the consumption of fossil fuels and develop a resistance to climate change. The Company aims to reduce energy quantity, greenhouse gas emissions intensity and transform from traditional to clean processes. The Company has developed various directions, controls, environment management systems, due diligence and disaster planning cum response systems and invested in highly experienced subject matter experts. The Company is driven by steady developments, process and material checks with the goal to search for cleaner alternatives.

### Rationale for our increased environment focus

**Compliance with regulations:** Environmental regulations have become increasingly stringent requiring businesses to comply with laws related to pollution control. The Company has failed to comply with Pollution Control Board regulations which can result in fines, legal penalties and reputational damage.

**Reputation and brand image:** Consumers, investors and other stakeholders are placing greater importance on environmental sustainability and corporate

responsibility. A strong commitment to environmental management can enhance a company's reputation, attract environmentally conscious customers and differentiate the brand in the market.

**Risk management:** Inadequate environmental management can pose significant risks to business operations, including regulatory non-compliance, environmental accidents or spills, supply chain disruptions and reputational damage. Proactively managing

environmental risks reduces the likelihood and severity of these adverse events.

**Cost reduction:** Implementing environmentally sustainable practices often leads to cost savings over the long term. Measures such as energy efficiency improvements, waste reduction and resource conservation can lower utility bills, decrease raw material usage and minimise waste disposal costs.

### Kriti's initiatives

**Energy-efficiency improvements:** The Company implemented projects to reduce energy consumption such as the upgradation of equipment for improved energy efficiency, optimise heating, ventilation and air conditioning (HVAC) systems or installing energy-efficient lighting.

**Renewable energy adoption:** The Company invested in renewable energy sources such as solar to reduce its reliance on fossil fuels and lower carbon emissions.

**Water conservation measures:** The Company implemented water-saving technologies and practices to reduce water use and minimise water waste. The Company undertook initiatives to install water-efficient fixtures implement leak

detection and repair programmes or install water recycling and reuse systems.

**Waste reduction and recycling programs:** The Company implemented initiatives to minimise waste generation, enhance recycling and divert waste from landfills. The Company placed recycling bins throughout its facilities, implemented organic waste composting programmes and partner with waste management companies to recycle or repurpose material.

**Eco-friendly initiatives:** The Company encouraged employees to use alternative transportation methods such as carpooling, biking or public transit to reduce carbon

emissions arising from commuting. The Company uses electric forklifts in the manufacturing plant to move materials.

**Plantation initiatives:** The Company pledges to engage with stakeholders, including employees, local communities, environmental organisations and regulatory agencies to enhance green cover. The Company planted 1,800+ saplings and 2,500+ shrubs during the year under review.

**Moderating pollution generation:** Reducing pollution generation requires a multi-faceted approach that involves the identification of pollution sources, implementing mitigation measures and consistent monitoring.

### Air and water pollution

**Emissions controls:** The Company installed pollution control equipment such as scrubbers, filters and catalytic converters to reduce emissions of particulate matter, NO<sub>2</sub> and other air pollutants from industrial processes, combustion sources and vehicles.

**Switching to cleaner fuels:** The Company transitioned to renewable energy.

**Water conservation:** The Company implemented water conservation to reduce use and minimise wastewater generation. The Company installed water-saving fixtures and equipment (low-flow faucets and toilets). The Company implemented leak detection and repair programmes to reduce water loss. The Company conducted water audits to identify the opportunities for conservation.

### Solid waste pollution

**Waste minimisation:** The Company implemented waste minimisation strategies to reduce the generation of solid waste. The Company's waste minimisation initiatives include source reduction, recycling, composting and reuse programmes to divert waste from landfills.

**Waste management practices:** The Company implemented waste management practices, including segregation, storage, transportation and disposal to minimise environmental impacts and ensure compliance with regulatory requirements.

### Our certifications

• ISO 9000 • ISO 14000 • ISO 45000

## Our social commitment

The Company protects the relationships with employees, customers, vendors and institutions in the communities where it does business. The Company's social commitment comprised harmonious industrial relations, diversity and inclusion.

### Our employee safety initiatives

At Kriti Industries, the safety of our employees, contractors, visitors and the community is paramount. The Company is committed to a safe and healthy work environment by adhering to the highest standards of safety excellence and compliance with all applicable laws, regulations and industry best practices.

The Company undertook day-to-day safety communication before starting the job; any incidence or near-miss is widely communicated. The Company's focused team structure ensures that responsibilities are defined, roles aligned with organisational objectives and

resources effectively utilised. The Company ensured safety team engagement with the rest of the company through prompt communication and transparency, employee involvement and participation, training and education as well as safety promotion and awareness campaigns.

The Company hired dedicated safety staff to impart training on a periodic basis. The Company believes that emergency drills or tabletop exercises are essential for testing and evaluating an organisations emergency preparedness and response capabilities. The

Company invested in suitable infrastructure for creating a safe and healthy work environment as well as for supporting the effective implementation of safety measures and protocols.

The Company conducted safety audits, which includes internal audits, certification audits and compliance audits.

The Company addressed safety violations through immediate correction actions, which included stopping unsafe activities, removing hazards and implementing temporary controls to prevent harm.





The Company conducted investigations to understand the root causes of safety violations. Human error, equipment malfunction, inadequate training, lack of supervision or systemic issues are factors contributing to the violation.

The Company maintained accurate records of safety incidents,

investigations and follow-up actions for reference and analysis.

The Company ensured that employees are aware of safety expectations, consequences for non-compliance and reporting procedures for safety concerns or incidents.

The Company held individuals accountable for safety violations through appropriate disciplinary measures such as verbal warnings, written reprimands, suspension or termination, depending on the severity and recurrence of the violation.

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### **Our employee health initiatives**

The Company tracked key health indicators among employees such as changes in biometric measurements, rates of chronic diseases, prevalence of health risk factors and mental health outcomes.

The Company monitored participation rates in health initiatives such as wellness programs, health screenings, fitness activities and health education workshops. The Company increased participation rates over time which indicates a

growing interest and involvement in health-promoting activities.

The Company conducted employee surveys and feedback mechanisms to gather insights into employees' perceptions, satisfaction and experiences with health initiatives.

The Company conducted health risk assessments to identify individual health risks, prioritised health interventions and provided personalised health recommendations to employees.

The Company offered targeted health education and communication campaigns that address specific health concerns or conditions prevalent among certain employee groups. This included providing educational materials, seminars and workshops on topics such as chronic disease management, mental health awareness, stress reduction, nutrition and physical activity.



## Our governance commitment

The 'G' in ESG, which stands for governance, refers to the system of practices, regulations and protocols to do business - do things the right way in addition to doing the right things.

**Trust:** At Kriti Industries, we believe that trust is the underlying element why customers buy from us, why employees engage with us, why vendors sell to us, why investors provide us risk capital, why bankers lend debt and why communities support us.

**Board of Directors:** At Kriti Industries, our strategic direction is influenced by our Board of Directors, comprising professionals and industrialists of standing who bring values, experience, multi-sectoral business understanding and strategic quality to our table.

**Focus:** At Kriti Industries, we have positioned our company as a fluid transmission products company (through the manufacture of PVC/ HDPE pipes and fittings) that has extended our downstream relevance across sectors (water / telecom / gas/ building products) and deliver pipe implementation solutions.

**Long-term:** At Kriti Industries, we are building our business around long-term viability that has been influenced by corresponding cutting-edge investments in technologies, brand, talent, products and trade partners.

**Brand:** At Kriti Industries, our biggest asset is the Kasta brand that stands for positive attributes ('expert', 'best', 'bharosa' and 'peace of mind').

**Controlled:** At Kriti Industries, we have consistently invested in controlled growth through the reinvestment of accruals and no addition debt, resulting in secure, stable and sure growth. As an extension, we balance strategic aggression with tactical conservatism and pursue projects with attractively short payback.

## Governance-deepening initiatives

- The Company appointed experienced Directors on the Board with 57% of the Directors being Independent
- The Company implemented the whistleblower mechanism that enabled employees to report concerns to the Chairman of the Audit Committee
- The Company addresses investor complaints on time.
- The Company encourages auditors to engage in a real-time

internal audit; it submitted quarterly internal audit reports to the Audit Committee along with an Action Taken report

- The Company framed necessary policies stipulated by the Companies Act, SEBI Listing Regulations and endeavors to implement policies
- A separate meeting of the Independent Directors was held every year inter alia to evaluate the performance of individual Directors and the Board

▪ The Board was updated on the latest statutory and regulatory amendments issued by various government departments

- The Company maintained transparent shareholder communication; price-sensitive information was provided to shareholders through announcements filed with the stock exchanges

# Our Board of Directors

as on 01.04.2024



## Mr. Shiv Singh Mehta

Chairman and Managing Director

**Tenure on Board:** 35 years

**Education:** Bachelor's degree in Electrical Engineering and Masters Degree in Business Administration

**Strengths:** Finance, marketing, technical and business administration

**Achievements:** Awarded Arya Chanakya (MP) Award for Corporate Governance and Corporate Social Responsibility and the Plastindia Foundation Award for his contribution to India's plastics industry.

**Previous experience:** President of Plastic Processors of India

**Areas of expertise:**



## Mr. Saurabh Singh Mehta

Director

**Tenure on Board:** 6 years

**Education:** Bachelors of Engineering in Computer Science from Ohio State University and MBA from S.P. Jain Institute of Management & Research

**Strengths:** 12+ years of experience in administration, marketing and IT.

**Areas of expertise:**



## Ms. Purnima Mehta

Whole-time Director

**Tenure on Board:** 24 years

**Education:** B.A. (Honours) and PGDBM.

**Strengths:** Accounts & finance, purchase, IT, HR and administration. Holds the membership in Audit Committee, Stakeholders Relationship Committee and CSR Committee.

**Areas of expertise:**



### Areas of expertise

- Financial diversity
- Global business
- Leadership
- Technology
- Mergers and acquisitions
- Board service and governance
- Sales and marketing
- Sustainability and ESG
- Risk expertise



**Mr. Chandrasekhran Bhaskar**

Independent Director

**Tenure on Board:** 8 years

**Education:** B.Tech. (Chemical engineering), MIMA, PGDM (IIM-Calcutta).

**Key strengths:** 40+ years of experience in consulting industry. Areas of expertise includes corporate and business planning, market research, asset revaluation, marketing, operations and factory management.

**Other appointments:** Elected Fellow of the Indian Plastics Institute.

**Previous experience:** Associated with Tata Sons Limited and Tata Economic Consultancy service for 5 years and with Xpro India Limited for 34 years.

**Areas of expertise:**



**Mr. Hitendra Mehta**

Independent Director

**Tenure on Board:** 3 year

**Education:** Bachelor's Degree in Civil Engineering

**Key strengths:** Renowned Indian designer in construction industry and architect engaged in urban planning and project management

**Other appointments:** Architect in his own firm Mehta and Associates LLP (extended operations to the whole of Madhya Pradesh, Gujarat, Rajasthan, Maharashtra, Chhattisgarh, Andhra Pradesh and Delhi with 150+ specialised professionals)

**Areas of expertise:**



**Mr. Siddharth Sethi**

Independent Director

**Tenure on Board:** 1 month

**Education:** Bachelor's degree in Electrical Engineering, MBA (IIM-Indore)

**Key strengths:** 25+years of experience in software engineering. Expertise in branding, ideation, strategy and execution, business and relationship development, envisioning technology solutions and human machine interaction.

**Other appointments:** Managing Director of InfoBeans Technologies Ltd, Member of the Board of Governors of IIM Indore and Member of Board of IMA Indore and IIM Indore Alumni Association.

Partner in Seed Enterprises from 2010- Present

**Areas of expertise:**



# Management discussion and analysis

## Global economy review

In 2023, global economic growth slowed to 3.1% from 3.5% in 2022, with Asia contributing disproportionately despite challenges like a weak Chinese recovery, sustained weakness in the USA, higher energy costs in Europe, and global consumer sentiment dampened by conflicts like the Ukraine-Russia war and the Red Sea crisis. Monetary policy tightening led to increased policy and interest rates for new loans. Advanced economies saw growth slow from 2.6% in 2022 to 1.5% in 2023 and 1.4% in 2024 due to policy tightening. Emerging

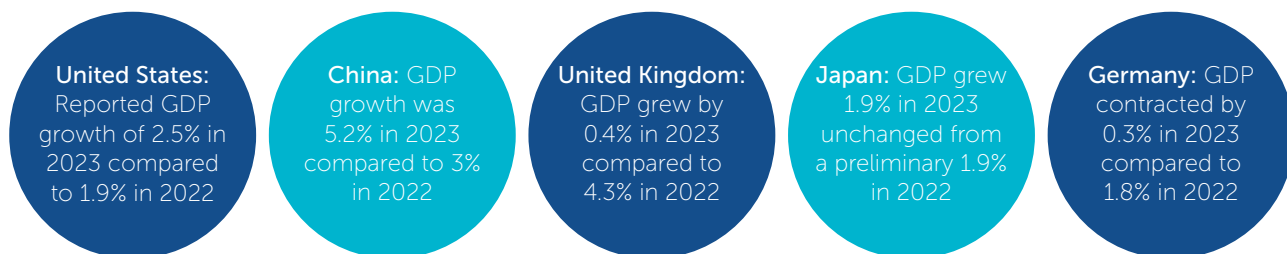
markets and developing economies also experienced a modest growth decline from 4.1% in 2022 to 4.0% in 2023 and 2024. Global inflation is projected to decrease steadily from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024, aided by tighter monetary policy and lower international commodity prices, though core inflation decline is expected to be gradual. The US Federal Reserve raised interest rates significantly, reaching the highest level in over 22 years. Global trade in goods declined by nearly US\$ 2 Trillion in 2023, while trade in

services expanded by US\$ 500 Billion. The cost of Brent crude oil averaged US\$ 83 per barrel in 2023, down from US\$ 101 in 2022, partly due to Russian crude oil finding new markets outside the EU and global demand falling short of expectations. Despite challenges, global equity markets ended 2023 positively, with major benchmarks delivering double-digit returns, driven by declining inflation, a slide in the dollar index, falling crude prices, and expectations of rate cuts by central banks.

Regional growth (%)	2023	2022
World output	3.1	3.5
Advanced economies	1.69	2.5
Emerging and developing economies	4.1	3.8

(Source: UNCTAD, IMF)

## Performance of major economies, 2023



(Source: PWC report, EY report, IMF data, OECD data, Livemint)

## Outlook

Asia is expected to continue to account for the bulk of global growth in 2024-25. Inflation is expected to ease gradually as cost pressures moderate; headline inflation in G20 countries is expected to decline. The global economy has demonstrated resilience amid high inflation and monetary tightening, growth around previous levels for the next two years (Source: World Bank).

## Indian economy review

### Overview

The Indian economy was estimated to grow 7.6% in the 2023-24 fiscal against 7.2% in 2022-23 mainly on account of the improved performance in the mining and quarrying, manufacturing and certain segments of the services sector. India retained its position as the fifth largest economy. The Indian rupee displayed relative resilience compared to the previous year; the rupee opened at ₹82.66 against the US dollar on the first trading

day of 2023 and on 27 December was ₹83.35 versus the greenback, a depreciation of 0.8%.

In the 11 months of FY 2023-24, the CPI inflation averaged 5.4% with rural inflation exceeding urban inflation. Lower production and erratic weather led to a spike in food inflation. In contrast, core inflation averaged at 4.5%, a sharp decline from 6.2% in FY 2022-23. The softening of global commodity prices led to a moderation in core inflation. The nation's foreign

exchange reserves achieved a historic milestone, reaching US\$ 645.6 Billion. The credit quality of Indian companies remained strong between October 2023 and March 2024 following deleveraged Balance Sheets, sustained domestic demand and government-led capital expenditure. Rating upgrades continued to surpass rating downgrades in H2 FY 2023-24. UPI transactions in India posted a record 56% rise in volume and 43% rise in value in FY24.

### Growth of the Indian economy

	FY 21	FY 22	FY23	FY24
Real GDP growth (%)	-6.6%	8.7	7.2	7.8 E

E: Estimated

### Growth of the Indian economy quarter by quarter, FY 2023-24

	Q1FY24	Q2FY24	Q3FY24	Q4FY24E
Real GDP growth (%)	8.2	8.1	8.4	8 E

(Source: Budget FY24; Economy Projections, RBI projections, Deccan Herald)

In 2023, India faced a challenging monsoon, experiencing a five-year low in rainfall, with August being exceptionally dry, receiving only 94% of its long-term average rainfall. Despite this, wheat production was anticipated to reach a record 114 million tonnes in the 2023-24 crop year, while rice production was expected to decline to 106 million metric tonnes due to adverse weather. Kharif pulses production was estimated lower than the previous year due to climatic conditions.

Economically, India saw growth across various sectors. The manufacturing sector output

was projected to grow by 6.5%, compared to 1.3% in the previous year, and the mining sector by 8.1%. Financial services, real estate, and professional services were estimated to grow by 8.9%. Real GDP was estimated at ₹171.79 Lakh Cr, with a growth rate of 7.3%, while nominal GDP was at ₹296.58 Lakh Cr. Non-performing assets in scheduled commercial banks decreased to 3.2%.

India's exports stood at US\$ 778 Billion, with increases in direct tax and GST collections. Despite challenges, the agriculture sector's growth was projected at 1.8%. Other sectors, like trade, hotel, transport,

communication, and broadcasting, were expected to grow at a slower pace compared to the previous year. (Source: Business Standard)

India achieved significant milestones, emerging as the fifth-largest economy with a GDP of US\$ 3.6 Trillion and a nominal per capita income of INR 123,945. Its stock market grew, becoming the world's fourth-largest, and foreign investment in Indian government bonds surged. India maintained its ease of doing business ranking and saw a decline in unemployment to 3.2% from 6.1% in 2018.

### Outlook

India withstood global headwinds in 2023 and is likely to remain the world's fastest-growing major economy on the back of growing demand, moderate inflation, stable interest rates and robust foreign exchange reserves. The Indian economy is anticipated to surpass US\$ 4 Trillion in 2024-25.

### Union Budget FY 2024-25

The Interim Union Budget 2024-25 retained its focus on capital expenditure spending, comprising investments in infrastructure, solar energy, tourism, medical ecosystem and technology. In 2024-25, the top 13 ministries in terms of allocations accounted for 54% of the estimated total expenditure. Of these, the Ministry of Defence reported the

highest allocation at ₹6,21,541 Cr, accounting for 13% of the total budgeted expenditure of the central government. Other ministries with high allocation included Road transport and highways (5.8%), Railways (5.4%) and Consumer Affairs, food and public distribution (4.5%).

(Source: Times News Network, Economic Times, Business Standard, Times of India)

### Indian PVC market review

The Indian plastic pipes market (including polyethylene, polypropylene, PVC, etc) is expected to grow at 11% by FY 2024-25 on account of economic growth. Pipes are expected to remain the largest end segment in India, accounting for 75% of all PVC demand. India's PVC demand is expected to continue its acceleration in the future with volumes expected to reach 4 million tonnes in FY 2023-24. This

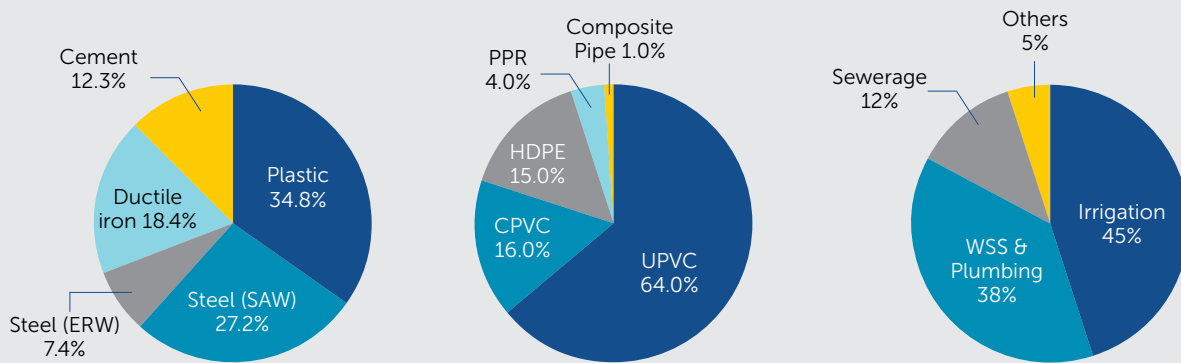
is expected to increase to 6 million tonnes by the end of the current decade.

India's PVC production capacity is expected to remain stagnant at 1.6 million tonnes until 2024-25 it is expected to ramp up reaching 4 million tonnes by 2029-30. Consequently, India is expected to face a supply deficit until the end of the current decade, comprising at

least 33% of its demand compared to 58% in 2023-24. Owing to India's increased emphasis on infrastructure development and its aspiration to become a developed economy by 2029-30, the demand for PVC demand is expected to sustain its growth trajectory in the future.

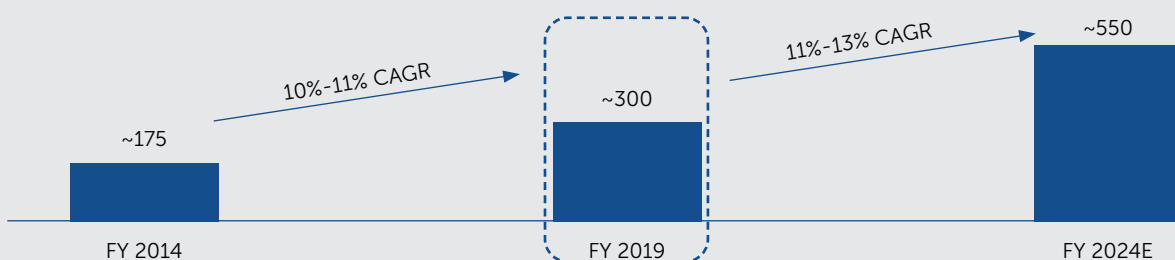
(Source: polymer update.com)

#### Classification of Indian pipe market



(Source: Singhi Advisors)

#### Growth trend of the domestic market size for plastic pipes and fittings industry (₹ Billion)



(Source: Singhi Advisors)

## Growth drivers of the polymer pipes industry

### Macro environment changes in

**India:** The government's budgetary outlay for infrastructure increased from around INR 3.7 Lakh Cr in FY 2022-23 to INR 5 Lakh Cr in FY 2023-24 is expected to drive the demand for downstream sectors leading to plastic pipes offtake. (Source: Invest India)

**Rural and semi urban India:** Strong traction in rural and semi-urban India on the back of rising incomes and government spending is expected to catalyse the demand of plastic pipes and fittings.

**Smart cities and hotel:** Growing investments in smart cities and

hotels is expected to drive the demand of plastic pipes and building materials in general.

**Affordable housing:** The Housing for All scheme aims to provide homes for 1.18 Cr families by December 2024. The increased number of houses developed will play a pivotal role to escalate plastic pipes demand. From inception till 2023-end, 65.9% of 118 Lakh commissioned houses were completed under PMAY-U. (Source: Newslaundry.in, The Wire)

**Jal Jeevan Mission:** The government plans to provide pipe water supply to every household by

2024 with an estimated spend of ₹6 Trillion. This initiative is expected to drive the demand of plastic pipes and fitting across the country. As of March 2024, the initiative has covered over three-fourths of the rural household, it intends to cover by 2024-end.

**Water supply and sanitation:** The government's investments towards water supply and sanitation (WSS) and urban infrastructure projects to grow by 70% over the next five years. Increased investments in these downstream sectors are expected to drive sectorial growth for the plastic pipes and fittings industry.

### Realities driving the polymer pipes industry

**75%**

of rural households who do not get drinking water in 2023

**40%**

of India's population (projected) with no access to drinking water by 2030

**80%**

of India's water that was contaminated in 2022

**50%**

percentage of districts in India could face 'severe' water scarcity by 2050

**6%**

of India's GDP will be lost due to water crisis by 2050

**77,390**

₹ Cr, allocation to Department of Drinking Water and Sanitation (DoDWS) in the interim budget

**8,000**

₹ Cr, allocation for AMRUT scheme providing basic amenities to improve the quality of life in Interim Budget 2024

**8,000**

₹ Cr, allocation for Smart City Mission to improve the quality of life of people by enabling local area development in the Interim Budget 2024

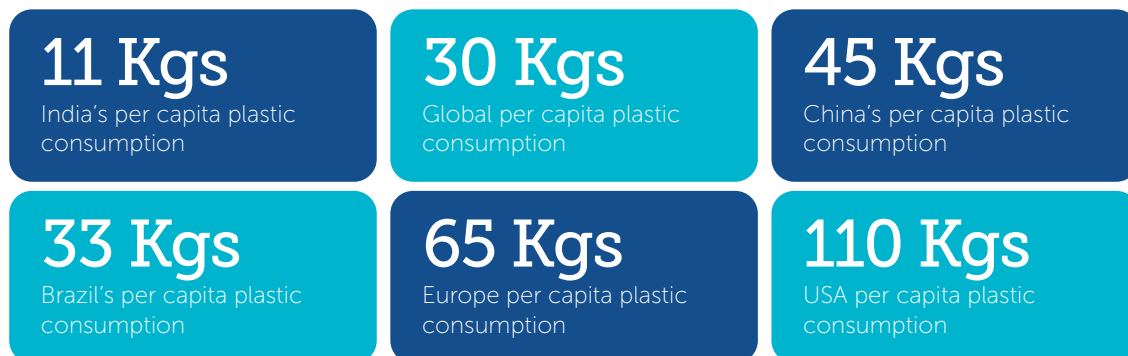
(Source: Times of India, Daiki Axis, East Asia forum, The Hindu Business Line, orfonline, pib.gov)



## Macro factors leading to growth in the polymer pipes industry

### Low per capita consumption in India

The per capita consumption of Indian plastics stood is much lower compared to the global average of 30 Kgs. The per capita plastic consumption of major global markets such as China, Brazil, Europe and USA stand wide apart compared to India, signifying a headroom for growth.



### Substitution and replacement demand

Plastic pipes enjoy a longer life and are economical, anti-corrosive and leakage free compared to the GI pipes. These increased advantages of plastic pipes make it a preferred option compared to the GI pipes, catalysing plastic pipe demand.

## Government policies

### Irrigation

**Growth potential:** Out of the total investments in irrigation, construction expenditure is estimated at 75%. The rise in construction activity is expected to lend support to the pipes and fittings industry.

**Select government schemes:** 'Har khet ko pani', 'More crop per drop',

Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), Accelerated Irrigation Benefits Programme (AIBP) and dedicated micro irrigation funds to be set up by NABARD.

### Construction (includes water supply and sanitation)

**Potential:** The government aims to build 29.5 million houses in rural areas and the launch of Toilets 2.0

campaign is expected to create a growth potential for the sector.

### Select government schemes and initiatives:

Housing for All, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Jawaharlal Nehru National Urban Rejuvenation Mission.

## Key end user polymer pipe segments

**Irrigation:** The government's focus on advancing irrigation infrastructure has significantly increased the need for these pipes. They are crucial for irrigation and water supply projects undertaken by major public sector companies. Government schemes like the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), Accelerated Irrigation Benefits Programme (AIBP), and Command Area Development and Water Management (CADWM) aim to improve irrigation infrastructure. The PMKSY has been extended until 2025-26 with an allocation of ₹93,068.56 Cr. (Source: PIB)

**Real estate:** Real estate is a major downstream sector consuming plastic pipes in India. The Indian real estate sector is valued at US\$ 477 Billion and contributes around 7.3% to the national GDP. The Indian real estate sector is experiencing a remarkable transformation, with luxury housing emerging as the dominant force shaping the industry landscape. The surge in demand for high-end properties is evident across major cities, redefining the traditional dynamics of the real estate sector. The surge in demand for high-end properties, coupled with favourable government policies and

investment trends has positioned luxury housing as the driving force. Government initiatives such as Smart Cities Mission and AMRUT (Atal Mission for Rejuvenation and Urban Transformation) is expected to catalyse real estate offtake. The government's vision to provide piped water access across urban and rural household is likely to increase growth opportunities. (Source: fact checker.in)

**Urban infrastructure:** India is the largest and fastest growing geography in the CVPC market with 55% market share in 2023 compared

to a previous market share of 30% in 2015. This demand growth is attributed to the increasing CVPC adoption in internal plumbing application in India including adoption of the BIS standard for CVPC pipes and fittings and the coming up of new CVPC capacities. In India CVPC is used for fire sprinkler systems, industrial piping systems among other applications. The government has largely focused on urban infrastructure in the Union Budget 2023-24. The government continued to focus on the affordable housing segment by increasing the capital outlay. The allocation of the Pradhan Awas Yojana (PMAY) has been increased by 66% to ₹79,000 out of which ₹25,103 Cr has been allocated to PMAY Urban, expediting the Housing for All programme. The government is implementing the PMAY-U 'Housing for All' mission intended to address a total housing

shortage of two Cr. (Sources: prnewswire.com)

**Telecom:** In 2023, the Indian telecoms sector marked a significant milestone with one of the fastest 5G rollouts covering, covering 738 districts and around 100 million users. Telecom service providers' gross revenue surpassed ₹3 Lakh Cr for the first time. Strong mobile data consumption and monetisation through tariff led revenue growth remained in the top trends. Besides, the announcement of 100 test labs in March 2023, underscore a strategic focus on leveraging 5G technology for applications like smart classrooms, precision farming, intelligent transport systems and healthcare aligning with the vision 'viksit Bharat'. Moreover, the launch of 5G fixed wireless access services bode well for the proliferation of high-speed internet across

the country. (Source: telecom. economic times.com)

**Gas:** According to the International Energy Agency (IEA), India's natural gas demand is set to grow by 4% in 2023 and rise at an average annual rate of over 8% till 2026. Following a steep 6% decline in 2022, liquefied natural gas (LNG) imports in India increased by 8% in the first eight months of 2023 compared to the same period of the previous year. Primary gas supply increased by 2%. India is set to add over 20 Billion cubic metres (bcm) of natural gas. The industry is set to remain the largest contributor to this growth, accounting for close to 40% of the total increase. Besides, the widening city gas distribution network is expected to emerge as one of the most potent drivers of the polymer pipes sector going ahead.

## Company overview

Kriti Industries specialises in producing plastic polymer piping systems, molded plastic products and associated accessories. The company has earned a prominent position within the industry due to its unmatched quality and reputation. The Company's focus lies in the polymer segment, catering to agriculture, building products, micro-irrigation and infrastructure sectors.

The applications of the company's products include the following sectors:

**Agriculture:** RPVC pipe and fittings, casing pipe, PE coils, sprinkler systems, submersible pipe, suction and garden pipe.

**Building products:** SWR and drainage pipe and fittings, CPVC and plumb pipe and fittings, garden pipe and water tank.

**Micro-irrigation:** Micro-irrigation lateral (inline and online), sprinkler systems, RPVC pipes and fittings.

**Infrastructure and datacom:** RPVC ring fit pipe (elastomeric) and fittings, HDPE and MDPE (PE) pipes and fittings, PLB telecom duct and micro-ducts.

During FY 2023-24, the company increased its focus on the building products segment, clocking 68% growth on YoY basis. On the overall, the company achieved volume growth under all its verticals, averaging about 28% increase on YoY basis.

The company's venture into the housing sector offers several advantages in its rapidly evolving landscape. The housing sector boasts minimal seasonality, enabling consistent rated capacity utilisation and incentivising capacity expansion,

thus fostering incremental stakeholder value. Situated at the onset of a significant growth trajectory, driven by governmental incentives and a growing societal aspiration for improved living standards, the housing business offers promising prospects. The market is relatively underserved by established national brands, presenting an appealing opportunity for entry and growth. The Kasta brand remains highly regarded for ethical practices and providing value to consumers, serving as the cornerstone of the company's assets. By adeptly managing risks and seizing opportunities, the Company is poised to expand its distribution without sacrificing profitability. Given these factors, the Company is optimistic of prospects, generating sustainable growth moving forward.

## Financial performance

**Revenues:** Revenue during the year stood at ₹870 Cr as against ₹736.00 Cr in FY 2022-23.

**Interest and finance costs:** Net interest and finance costs stood at ₹20.96 Cr in FY 2023-24.

**Profit after tax:** The Company reported a profit after tax of ₹21.41 Cr as against a loss of ₹23.41 Cr in the previous year

### Key ratios

Particulars	FY 2023-24	FY 2022-23
Turnover	866.63	732.47
Debt-equity ratio	0.89	0.97
Return on equity (%)	15	-17.00
Book value per share (₹)	30.32	26.08
Earnings per share (₹)	4.32	(4.72)

## Risk management

**Economic risk:** A possible economic slowdown might affect the company's operations.

**Mitigation:** India posted a GDP growth of 7.6% in FY 2023-24. The economic growth coupled with government's aim to enhance farmer incomes is expected to increase irrigation, translating into an increased demand for polymer pipes.

**Product risk:** Inability to produce a range of products might affect the demand of the company's products.

**Mitigation:** The Company produces polymer pipes, mainly Poly Vinyl Chloride (PVC) and Poly Ethylene (PE), suitable for portable water supply, irrigation, building construction and infrastructure. The Company's diverse product portfolio is expected to enhance visibility by serving different segments. The Company's geographical reach for existing and new products expanded. The new products, being the output of brownfield expansion, received a good market response. The Company plans to increase

its building products range in the current financial year.

**Competition risk:** The Company's market share and profitability might be affected due to the entry of increased number of rival firms.

**Mitigation:** The Company is positioned among the most respected and credible companies across the world by offering quality products and services to the customers.

## Information technology and digitalisation

The company has effectively integrated SAP HANA, enhancing its business analytics and overall efficiency, resulting in increased operational effectiveness. It

continues to invest in Information Technology (IT), including SAP Enterprise Resource Planning System, CRM, HRM and Sales Force Mobility to bolster its

infrastructure and operational capabilities. Ongoing technological advancements are expected to drive the company's growth in the foreseeable future.

## Internal control systems and their adequacy

The Company boasts a robust internal control system, meticulously designed to ensure optimal resource utilisation, safeguarding assets and compliance with policies, procedures, and legal mandates. The Company established comprehensive guidelines and authorisation procedures, encompassing audits to maintain accountability. The Company

has a well-defined internal audit framework, covering financial and operational controls across all units and functions. Besides, the company implemented an effective financial reporting system. Kriti's internal audit team comprises seasoned members from diverse functional departments, some holding key managerial positions. They contribute to assessing and enhancing various

company functions, including restaurant operations and support departments. Moreover, the Company possesses an Internal Audit cell supporting the Audit Committee, complementing external auditors' independent assessments of internal controls and operating systems.

## Human resources

The Company possesses 635 officers and workers as on 31st March, 2024. Investing in both individual and collective competencies has been instrumental in elevating the company's human capital value,

aligning it with market demands. Through various initiatives focused on skill development and enhancing employee competencies, the company has fostered a workforce adept at staying abreast of market trends. Knowledge-sharing programs

have been conducted, encouraging innovative ideas from employees. Many of these innovative ideas have been implemented, leading to improvements in quality, cost efficiency and overall productivity.

## Cautionary statement

The statements in the 'management discussion and analysis' section describing the Company's objectives, projections, estimates and prediction may be considered as forward-looking statements. All statements that address expectations or projections about the future, including but not limited to statements about the Company's

strategy for growth, product development, market positioning, expenditures and financial results are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievement may

thus differ materially from those projected in such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent developments, information or events.

# Directors' Report

Dear Members,

Your directors present their 34th Annual Report on the affairs of the Company together with the Standalone and Consolidated Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2024.

## FINANCIAL HIGHLIGHTS

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

(₹ in Lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operations	86,662.61	73,247.39	86,662.61	73,247.40
Other Income	337.59	353.07	339.44	353.07
<b>Total Revenue</b>	<b>87,000.20</b>	<b>73,600.46</b>	<b>87,002.05</b>	<b>73,600.47</b>
Operating Expenses	80,714.93	74,022.04	80,715.42	74,022.04
<b>EBITDA</b>	<b>6,285.27</b>	<b>(421.58)</b>	<b>6,286.83</b>	<b>(421.57)</b>
Finance Cost	2,096.26	1,735.50	2,037.53	1,673.90
Depreciation	1,199.45	913.35	1,199.45	913.35
Profit/ (Loss) before Exceptional Items and Tax	2,989.56	(3,070.42)	3,049.29	(3,008.82)
Exceptional Items (Reversal of Impairment Loss)	-	-	-	-
Tax Expenses	848.09	(729.58)	863.14	(729.58)
Profit/ (Loss) after Tax	2,141.47	(2,340.84)	2,186.15	(2,279.24)
Profit/(Loss) from discontinued operations	-	-	0.00	(7.55)
Tax expenses on discontinued operations	-	-	0.00	13.60
Profit/(Loss) after discontinued operations	2,141.47	(2,340.84)	2,186.15	(2,300.39)
Share in Net Profit/(Loss) of Associate Company	-	-	6.83	(0.25)
<b>Net Profit/ (Loss) for the period</b>	<b>2,141.47</b>	<b>(2,340.84)</b>	<b>2,192.98</b>	<b>(2,300.64)</b>

## OPERATIONAL PERFORMANCE

During the Financial Year ended 31<sup>st</sup> March, 2024, your Company has achieved on standalone basis an operational turnover of ₹86,662.61 Lakhs as compared to ₹73,247.40 Lakhs in the previous Financial Year and the Profit after Tax is ₹2,141.84 Lakhs as compared to Loss of ₹2,340.84 Lakhs in the previous Financial Year.

On a Consolidated basis, your Company has achieved an operational turnover of ₹86,662.61 Lakhs as compared to ₹73,247.40 Lakhs in the previous Financial Year and Profit After Tax of ₹2,186.15 Lakhs as compared to Loss of ₹2,279.24 Lakhs in the previous Financial Year.

## DIVIDEND

Your directors are pleased to recommend a dividend @ 20% (Rs 0.20 per equity shares of Re. 1/- each on 4,96,03,520 Equity Shares) for the Financial Year 2023-24 aggregating to ₹99.21 Lakhs (Previous year NIL) which is subject to the approval of members at the ensuing annual general meeting and shall be payable to those Shareholders whose names appear in the Register of Members as on the Book Closure/Record Date.

## CHANGE IN CONTROL AND NATURE OF BUSINESS

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

## BUSINESS TRANSFER

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

## TRANSFER TO RESERVES

During the year, the Company has transferred ₹150.00 Lakhs (Previous Year ₹ Nil) to the general reserves, other than that no amount has been transferred to any other reserve.

## SHARE CAPITAL

The paid-up Equity Share Capital as on 31<sup>st</sup> March 2024 was ₹496.04 Lakhs divided into 4,96,03,520 equity shares of Re. 1/- each. There is no change in Equity Share Capital of the Company during the year, the shares of the Company are listed and regularly traded at the trading platform of BSE Ltd. and National Stock Exchange of India Limited.

## MERGER OF KRITI AUTO & ENGINEERING PLASTICS PVT. LTD. WITH THE COMPANY

The Board of Directors of the Company at its meeting held on 3<sup>rd</sup> May, 2024 have in-principally approved the proposal to amalgamate Kriti Auto & Engineering Plastics Pvt. Ltd., Wholly Owned Subsidiary with the Company.

## DEPOSITS

Your Company has not accepted any deposit from the public falling within the ambit of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and there were no remaining unpaid or unclaimed deposits as on 31<sup>st</sup> March, 2024. Further, the Company has not accepted any deposit or loans in contravention of the provisions of Chapter V of the Companies Act, 2013 and the Rules made there under.

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

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, **Mrs. Purnima Mehta** (DIN 00023632), Whole-time Director of the Company is liable to retire by rotation at the ensuing 34<sup>th</sup> Annual General Meeting and being eligible has offered herself for re-appointment.

### Managing and Whole-time Directors:

Mr. Shiv Singh Mehta (DIN 00023523), was re-appointed as the Chairman and Managing Director of the Company by passing Special Resolution at the 31<sup>st</sup> AGM held on 07.08.2021 for a term of 5 (five) years w.e.f. 01.10.2021 and will also attain age of 70 years during the proposed tenure.

Mrs. Purnima Mehta (DIN 00023632), was also re-appointed as the Whole-time Director of the Company by passing Special Resolution at the 31<sup>st</sup> AGM held on 07.08.2021 for a period of 3(three) years w.e.f. 01.07.2022.

### Whole-time Directors seeking re-appointment at the ensuing 34<sup>th</sup> Annual General Meeting:

Upon the recommendation of the Nomination and Remuneration Committee, your Board of Directors has recommended the re-appointment of Smt. Purnima Mehta (DIN: 00023632) as the Whole-time Director of the company for a further period of 3 (Three) years w.e.f. 1<sup>st</sup> July, 2025 to 30<sup>th</sup> June, 2028 by passing Special resolution at the ensuing 34<sup>th</sup> Annual General Meeting.

Necessary information on the Director(s) seeking appointment/re-appointment has been given in the Notice of the ensuing 34<sup>th</sup> Annual General Meeting.

### Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and the SEBI Listing Regulations. The Board considered and formed an opinion that all the independent directors meet the criteria of independence as required under the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. All the Independent Directors have also registered themselves with Independent Directors' Databank.

Your Board would like to inform that, the second term of five years of **Mr. Rakesh Kalra** and **Mr. Manoj Fadnis** the Independent Directors has been completed from the closure of the business hours of 31.03.2024.

**Mr. Siddharth Sethi** (DIN: 01548305) was appointed as an Additional Director in category of the Non-Executive Independent Director by the Board on 28<sup>th</sup> March, 2024 effective from 1<sup>st</sup> April, 2024 for first term of 5 (five) years subject to confirmation by shareholders in next general meeting or three months from the date of appointment, whichever is earlier.

A Statement regarding opinion of the Board with regard to integrity, expertise and experience including the proficiency of the Mr. Siddharth Sethi.

The Board is of the opinion that, Mr. Siddharth Sethi is an entrepreneur, with 25 years of experience in software industry and is having degree of BE (Electrical) from SGSIT, Indore and MBA from IIM, Indore. He has helped found 4 companies in high technology products and services and is co-founder and currently MD of InfoBeans Technologies Ltd. founded in 2001. He is an active investor in new age technology companies and a keen worker on the social front, helping in impactful social ventures and is having integrity, expertise and relevant experience to be appointed as the Independent Director of the company.

The Board recommends and confirms the appointment of the Independent Director at ensuing 34<sup>th</sup> AGM as set out in the Notice of the Meeting to be held on 18<sup>th</sup> June, 2024.

Other than that, during the year under review, the company has not appointed any other Independent Director.

## Other Key Managerial Personnel

During the year under review, no changes took place in the other KMP's (Other than the Directors)

The following are the Key Managerial Personnel (KMP's) of the Company as on the date of the report:

- i) Mr. Shiv Singh Mehta (DIN 00023523), Chairman and Managing Director;
- ii) Mrs. Purnima Mehta (DIN 00023632), Whole-time Director;
- iii) Mr. Rajesh Sisodia, Chief Financial Officer;
- iv) Mr. Tanuj Sethi, Company Secretary and Compliance Officer.

## 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 the 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 further consideration.

## MEETINGS

During the financial year Five (5) Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

## NOMINATION & REMUNERATION POLICY

The Company has a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and for determination of their remuneration. The salient features of Nomination and Remuneration Policy are stated in the Corporate Governance Report. The Nomination and Remuneration

Policy duly approved by the Board has been posted on the Company's website <http://kritiindustries.com/>

## COMMITTEES OF THE BOARD

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

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

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

## HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY

As on the closure of the financial year, following are Associate and Subsidiary of your companies:-

Name of the Company	Status	% age of Holding
Kriti Auto & Engineering Plastics Pvt. Ltd.	Wholly Owned Subsidiary	100.00%
FP Elite Energy Private Limited	Associate Company	34.78%

Further, your company is a subsidiary of Sakam Trading Private Limited which holds about 61.44% of the total paid-up capital of the company as at the end of the financial year 2023-24.

## Report on performance of the Associate and Wholly Owned Subsidiary Company

Pursuant to the provisions of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014, your company is attaching Form AOC-1 as "Annexure A" and forms part of this report.

## RELATED PARTY TRANSACTIONS

During the period under review, all related party transactions entered were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions as per the provisions of section 188 of the Companies Act, 2013 made by the Company with Promoters, Directors, KMPs or other designated persons or their relatives 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 which are not on arms length basis. Therefore, the company is not required to annex Form AOC-2 with this report.

Separate disclosure as per Regulation 34(3) of SEBI (LODR) Regulations, 2015 is made in the notes to the

accounts attached with the financial statement, therefore not reproduced here under. The policy on Related Party Transactions duly approved by the Board has been posted on the Company's website <http://kritiindustries.com/>.

Your Company has passed an Ordinary Resolution at 33rd Annual General Meeting held on 28th August, 2023 under Regulation 23 of the SEBI (LODR) Regulations, 2015 read with section 188 of the Companies Act, 2013 for entering into transactions for transfer of resources etc. with the related Parties.

Pursuant to SEBI/HO/CFD/POD2/CIR/P/2023/120 dated 11/07/2023, Your board is proposing to pass an Ordinary Resolution in the ensuing General Meeting for material related party transaction related to transfer of resources with the Related Party.

## CORPORATE SOCIAL RESPONSIBILITY

The Annual Report on CSR activities is attached as "Annexure B" and forms a part of this Report. The salient features of CSR policy are stated in the aforesaid Report on CSR activities. The policy on CSR duly approved by the Board has been posted on the Company's website <http://kritiindustries.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 C" to this Report. A statement of top-10 employees in terms of remuneration drawn as per rule 5(2) read with rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended may be obtained by request to the Company Secretary of the Company at [cs1@kritiindia.com](mailto:cs1@kritiindia.com).

During the year, none of the employee has received remuneration of in excess of ₹ One Crore and Two Lakh or more per annum or ₹ Eight Lakhs Fifty Thousand p.m. in a year or part thereof. Further, none of the employees received remuneration in excess of that drawn by the Managing Director or Whole-time Director and none of the employees held two percent of the equity shares of the Company.

Further, Shri Shiv Singh Mehta, Chairman and Managing Director is drawing remuneration from the company and from the other Company cumulatively not exceeding the higher maximum limit admissible from any one of the companies.

## 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 D" and forms part of this report.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

## CORPORATE GOVERNANCE

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

## RISK MANAGEMENT

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

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

- Adequate safeguards against victimization of persons who use the Vigil Mechanism; and
- 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://kritiindustries.com/> and have also been provided as "Annexure E" 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:-

- that in the preparation of the annual financial statements for the year ended 31st March 2024, 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<sup>st</sup> March 2024 and of the profit of the Company for that period;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## INTERNAL CONTROL AND THEIR ADEQUACY

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

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

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

The Board has implemented systems to ensure compliance of all applicable laws. These systems were effective and operative. At every quarterly interval, the

Managing Director and the Company Secretary place before the Board a certificate certifying compliance of laws and regulations as applicable to the business and operations of the Company after obtaining confirmation from all business unit and functional heads responsible for compliance of such applicable laws and regulations.

## DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS U/S 143(12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT.

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

## ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2024 is available on the Company's website on <https://kritiindustries.com/investor-desk/annual-returns/>

## AUDITORS & THEIR REPORT

The shareholders at their 30<sup>th</sup> Annual General Meeting (AGM) held on 8<sup>th</sup> August, 2020 upon the recommendation of Audit Committee and Board of Directors of the company had approved the re-appointment of M/s. Rakesh Kumar & Associates, Chartered Accountants (FRN: 002150C), Indore as Statutory Auditors to hold office for a second term of 5 (Five) consecutive years from the conclusion of 30<sup>th</sup> AGM till the conclusion of 35<sup>th</sup> Annual General Meeting to be held in the year 2025 at such remuneration as may be approved by the Audit Committee and Board of Directors of the company as per the provisions of section 139 of the Companies Act, 2013, As required under Regulation 33(d) of the SEBI (LODR) Regulation, 2015, the auditor has confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditors Report and the Notes on financial statement for the year 2023-24 referred to in the Auditor's Report are self-explanatory and do not contain any qualification, reservation or adverse remark, therefore, do not call for any further comments.

## COST AUDITOR

Your company is maintaining the cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013. In pursuance of Section 148 of the Companies Act, 2013, your Directors appointed Mr. S.P.S. Dangi, Cost Accountant, (FRN 100004), Indore to conduct the Audit of the Cost Accounting records for the financial year 2023-24. The Company has filed the Cost Audit Report for the year 2022-23 to the Central Government.

Due to health reason Mr. S.P.S. Dangi, Cost Accountant has expressed his inability to seek his re-appointment as the cost auditor after completion of his assignment for the

year 2023-24. The Board has recorded its sincere gratitude and appreciation for services rendered by Mr. S.P.S. Dangi.

Therefore, on the recommendation of the Audit Committee, the Board at its meeting held on 03rd May, 2024 has appointed M/s Dhananjay V. Joshi & Associates, Cost Accountants (FRN: 000030) as the Cost Auditors to conduct the Audit of the Cost Accounting records for the financial year 2024-25. As required under section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the shareholders. Therefore, the Board of Directors recommend the remuneration payable to M/s Dhananjay V. Joshi & Associates, Cost Accountants (FRN: 000030) for the financial year 2024-25 for the ratification by the Members in the ensuing Annual General Meeting.

## SECRETARIAL AUDITOR

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board has appointed M/s Ajit Jain & Co., Company Secretaries, (C.P.No. 2876) Indore to conduct Secretarial Audit for the financial year 2023-24.

The Secretarial Audit Report for the financial year ended 31st March 2024 in Form MR-3 is attached as "Annexure F" and forms part of this Report. The Report of the Secretarial Auditor does not contain any qualification, reservation or adverse remark, therefore, do not call for any comments except the below:

Auditor Observation	Management Explanation
In the related party transaction report for the period ended 30.09.2023 opening balance of inter corporate deposit with Kriti Nutrients Ltd. was of ₹240.00 Million, however, the closing balance in the report for the period ended 31.03.2023 was ₹249.70 Million. was filled on stock exchanges.	There was a typographical error in providing details in the related party transaction report for the period ended 30.09.2023.

Further, the Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 3rd May, 2024 has appointed M/s. Ajit Jain & Co., Company Secretaries (C.P.No. 2876) to conduct Secretarial Audit for the financial year 2024-25.

## 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)

The details related to dividend remains unpaid-unclaimed in the Company has been given in 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://kritiindustries.com/>

During the year under review, an amount of ₹3,40,890/- in respect of unpaid/unclaimed interim dividend declared for the FY 2015-16 was transferred to the Investor Education and Protection Fund Authority as well as 86,360 equity shares of face value of ₹1/- each, in respect of unpaid/unclaimed interim dividend declared in FY 2015-16, was also transferred and credited to the IEPF Authority by the Company.

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

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

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

## CODE FOR PREVENTION OF INSIDER TRADING

Your Company has adopted a Code of Conduct to regulate, monitor and report trading by designated persons and their immediate relatives as per the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code, inter alia, lays down the procedures to be followed by designated persons while trading/dealing in Company's shares and sharing Unpublished Price Sensitive Information ("UPSI"). The Code covers Company's obligation to maintain a digital database, mechanism for prevention of insider trading and handling of UPSI, and the process to familiarize with the sensitivity of UPSI. Further, it also includes code for practices and procedures for fair disclosure of unpublished price sensitive information which has been made available on the Company's website at <https://kritiindustries.com>.

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

Your Company is providing E-voting facility as required under section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and

Administration) Amendment Rules, 2015. The ensuing AGM will be conducted through Video Conferencing/OVAM and no physical meeting will be held and your company has make necessary arrangements with CDSL to provide facility for e-voting including remote e-voting. The details regarding e-voting facility are 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 Director 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, 2024, to which the financial statements relate and the date of this report.
- e) Details of unclaimed dividends and equity shares transferred to the Investor Education and Protection Fund authority have been provided as part of the Corporate Governance report.
- f) Your Company has not declared and approved any Corporate Action viz buy back of securities, issuance of bonus shares, right shares of issuance of securities on preferential basis mergers and de-mergers, split and issue of any securities and has not failed to implement

or complete the Corporate Action within prescribed timelines.;

- g) There were no revisions in the Financial Statement and Board's Report.
- h) The company has not filed any application or there is no application or proceeding pending against the company under the Insolvency and Bankruptcy Code, 2016 during the year under review.
- i) There is no requirement to conduct the valuation by the Bank and Valuation done at the time of one-time Settlement during the period under review.
- j) There are no voting rights exercise by any employee of the Company pursuant to section 67(3) read with the Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014.

## ACKNOWLEDGEMENT

Your Directors place on record, their sincere appreciation and gratitude for all the co-operation extended by Government Agencies, Bankers, Financial Institutions, Business Associates and Investors and all other stakeholders. 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 and growth of the Company.

For and on behalf of the Board

**Shiv Singh Mehta**

Date: 3<sup>rd</sup> May, 2024  
Place: Indore

Chairman and Managing Director  
(DIN: 00023523)

## ANNEXURE A

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/  
ASSOCIATE COMPANIES/JOINT VENTURES AS ON 31.03.2024**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts ₹ In Lakhs)

S. No	Name of Subsidiary	Kriti Auto Engineering & Plastics Private Limited
1.	The date since when subsidiary was acquired	27.01.2010
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
4.	Paid up Share Capital	388.50
5.	Reserves & Surplus	506.34
6.	Total Assets	946.10
7.	Total Liabilities	946.10
8.	Investments	-
9.	Turnover	0.00
10.	Profit/(Loss) before taxation	59.72
11.	Profit/(Loss) before taxation from Discontinued Operations	00.00
12.	Provision for taxation	15.05
13.	Profit/(loss) after taxation	44.67
14.	Proposed Dividend	-
15.	% of shareholding	100.00%
16.	Names of subsidiaries which are yet to commence operations	N.A.
17.	Names of subsidiaries which have been liquidated or sold during the year	N.A.

## Part "B": Associates and Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No	Name of Associates	FP Elite Energy Private Limited
1.	Latest Balance Sheet Date	31/03/2024
2.	Date on which the Associate was associated or acquired	07/10/2022
3.	Shares of Associate held by the company on the year end	
	Number of Shares	7,88,141 Equity Shares of ₹10 each.
	Amount of Investment in Associates (₹ In Lacs)	78.81
	Extend of Holding (in percentage)	34.78
4.	Description of how there is significant influence	34.78% shareholding/ voting rights
5.	Reason why the associate is not consolidated	N.A.
6.	Net worth attributable to Shareholding as per latest Balance Sheet	56.93
7.	Profit / (Loss) for the year	
	i. Considered in Consolidation	6.83
	ii. Not Considered in Consolidation	-
1.	Names of associates or joint ventures which are yet to commence operations.	N.A.
2.	Names of associates or joint ventures which have been liquidated or sold during the year.	N.A.

The Company does not have any Joint Ventures as on 31stMarch, 2024.

As per our report of even date

### M/s Rakesh Kumar and Associates

Chartered Accountants

FRN:002150C

#### Puneet Gupta

Partner

M.No:413168

Place: Indore

Date: 03/05/2024

#### Shiv Singh Mehta

Chairman & Managing Director

DIN: 00023523

#### Purnima Mehta

Whole time Director

DIN: 00023632

#### Rajesh Sisodia

Chief Financial Officer

#### Tanuj Sethi

Company Secretary

M. No. A69680

## ANNEXURE - B

## Annual Report on Corporate Social Responsibility (Csr) Activities

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

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

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

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

### 2. Composition of CSR Committee:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shiv Singh Mehta Chairman and Managing Director	Chairperson	1	1
2	Purnima Mehta Whole-time Director	Member	1	1
3.	Rakesh Kalra Independent Director	Member	1	1

### 3. Web-link: – [www.kritiindustries.com](http://www.kritiindustries.com)

### 4. Provide the executive summary alongwith weblink of impact assessment of CSR projects carried out in pursuance of sub rule (3) of Rule 8 if applicable -Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135 ₹1305.53 Lakhs  
 (b) 2% of average net profit of the company as per section 135(5) ₹26.12 Lakhs  
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL  
 (d) Amount required to be set off for the financial year, if any NIL  
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)] ₹26.12 Lakhs
6. (a) Amount spent on CSR Projects (Both Ongoing Projects and Other than Ongoing Project) : ₹0.50 Lakhs  
 (b) Amount spent in Administrative Overheads. : Nil  
 (c) Amount spent on Impact Assessment, if applicable. : NA  
 (d) Total amount spent for the Financial Year (a+b+c) : ₹0.50 Lakhs  
 (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
0.50	25.62	30.04.2024	-	-	-

(f) Excess amount for set off, if any: Nil

S. No	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	26.12
(ii)	Total amount spent for the Financial Year	0.50
	Excess amount carry forward from the previous Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

## 7. Details of Unspent CSR amount for the preceding three financial years: (₹ in Lakhs)

S No.	Preceding Financial Year	Amount transferred to Unspent CSR account u/s 135(6)	Balance amount in Unspent CSR Account u/s 135(6)	Amount Spent in the Financial Year	Amount transferred to any fund specified under schedule VII as per section 135(6), if any		Amount remaining to be spent in succeeding financial years	Deficiencies if any
					Amount (in ₹)	Date of Transfer		
1.	2020-21	7.53	0.00	0.00*	N.A.	N.A.	0.00	N.A.
2.	2021-22	39.23	4.13	18.80**	0.00	0.00	4.13	NIL
3.	2022-23	57.77	57.77	0.00	0.00	0.00	57.77	NIL
	<b>Total</b>	<b>104.53</b>	<b>61.90</b>	<b>18.80</b>	<b>0.00</b>	<b>0.00</b>	<b>61.90</b>	<b>NIL</b>

\* Amount expended and reported in the Financial Year 2021-22, hence not shown in the current year.

\*\* Amount of ₹16.30 Lakhs expended and reported in the Financial Year 2022-23, hence not included the current year.

## 8. Whether any Capital Assets have been created or acquired through CSR amount spent in the Financial Year: No

If Yes, enter the number of capital assets created/acquired : N.A.

Furnish the details relating to such assets(s) so created or acquired through CSR amount spent in the Financial Year:

Sl. No	Short Particulars of the Property or assets(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR spent	Details of entity/Authority/ Beneficiary of the Registered Owner		
					CSR Registration Number, if applicable	Name	Registered Address
Not Applicable							

## 9. Specify the Reason(s), if the company has failed to spend 2% of the average net profit as per section 135(5):

The Company endeavored to ensure full utilization of the allocated CSR budget towards ongoing projects. The CSR activities are scalable with a few new initiatives that may be considered in future and moving forward the Company will endeavour to spend the amount on CSR activities in accordance with the statutory requirements.

Sd/-

**Shiv Singh Mehta**

Chairman of the Committee and  
Chairman and Managing Director

Date: 03/05/2024

Place: Indore

## Annexure – C

## 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 31<sup>st</sup> March, 2024.

### (A) Particulars of employees as per Rule-5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2023-24.

S. No.	Name of Director	Ratio of remuneration of each Director/ to median remuneration of employees (in times)
1	Mr. Shiv Singh Mehta	24.40
2	Mrs. Purnima Mehta	19.93

- (ii) The percentage increase in remuneration of each Executive Director, Chief Financial Officer and Company Secretary in the financial year 2023-24:

S. No.	Name of Director /KMPs	Designation	% increase in remuneration
1	Mr. Shiv Singh Mehta	Chairman and Managing Director	0.00
2	Mrs. Purnima Mehta	Whole Time Director	0.00
3	Mrs. Vinita Puntambekar	Chief Financial Officer <sup>1</sup>	N.A.
4	Mr. Rajesh Sisodia	Chief Financial Officer <sup>2</sup>	0.00
5	Mr. Pankaj Baheti	Company Secretary <sup>3</sup>	N.A.
6	Mr. Tanuj Sethi	Company Secretary <sup>4</sup>	26.19

<sup>1</sup>Mrs. Vinita Puntambekar appointed w.e.f. 01.02.2022 and ceased w.e.f. 03.02.2023.

<sup>2</sup>Mr. Rajesh Sisodia appointed w.e.f. 03.02.2023

<sup>3</sup>Mr. Pankaj Baheti appointed w.e.f. 04.04.2022 and ceased w.e.f. 22.03.2023

<sup>4</sup>Mr. Tanuj Sethi appointed w.e.f. 22.03.2023

- (iii) The percentage increase in the median remuneration of employees in the financial year 2023-24 was 15%.
- (iv) There were 635 permanent employees on the rolls of the Company as on 31st March, 2024.
- (v) Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

% increase in Average salary of employees other than KMPs for Financial Year 2023-24 has given in point no. (A) (iii) above.

The increase in the salary of KMP's for Financial Year 2023-24 has given in point no. (A) (ii) above. The increase in remuneration is not solely based on Company's performance but also includes various other factors like individual performance, experience, relevant expertise, skills, academic background, industry trends, economic situation and future growth prospects etc. besides Company's performance.

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

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



## Annexure -D

# 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. Installed & commissioned of High output & energy efficient RPVC Extruder line 114/34 – 1200 kg/hr.
2. Installed & commissioned 3 new power efficient machine for Column pipe for producing best quality pipe with least power cost & high efficiency.
3. Implementation of IoT system for column plant expansion as a initiative towards digitization & online monitoring & control of plant.
4. Automation & New power efficient Mixer 400Kg batch size installed for material conveying in Column plant for uniformity in mixing & leak proof system in material conveying.
5. Installed SWR online socketing machine on twin line machine having output double than the earlier installed capacity.
6. Installed Energy efficient water cooled chiller for Pipe cooling in Column plant operations.
7. Installed VFD in pump for reducing power consumption by plant pumps by maintaining pressure as per requirement.
8. Installed New CPVC machine for Higher dia pipes upto 4".
9. Installed Resin silo of 200 & 300 m<sup>3</sup> to reduce material movement space & cost of shifting in material handling.
10. Installed 100 MT compound silo in RPVC plant for feeding the Extrusion requirement.
11. Insulation of tanks & water lines has been done to reduce losses due to heat transfer, hence reducing the power consumption by chiller.
12. Modification of RPVC Compressor area exhaust to maintain temp. of utility so equipment gets the perfect environment for operation.

13. Online threading & assembly of coupler with pipes in Column plant.

14. Scrap cages prepared for segregation of different types of wastes & their disposal from plant.

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

1. Improved capacitor bank system of plant to maintain a healthy Power factor of Unity i.e. (>0.995). Which also benefited in having Max. PF incentive from DISCOM.
2. Planning for Open access Hybrid power (Wind + Solar) of 4 MW. Term sheet signed, PPA, SSHA under discussion & approval.

#### 3) Capital investment on energy conservation equipment:

Approx. ₹20 Crores

### B. Technology Absorption

#### 1) Efforts made towards technology absorption

1. Replaced the Inkjet Printers by latest Technology Laser Printers for HDPE sprinkler Pipes & coils.
2. Installing online weighing system in RPVC 22 extruders, HDPE 4 Extruder for pipes & coils.
3. Installed of Encoder system planned on all RPVC Machines to have accurate pipe length cutting & display measurement of the same.
4. Also planned to have Central Data Console (Industry 4.0) for critical parameters of RPVC Plant with Auto SMS sent in case of deviations in parameters monitored.
5. Installed Automatic Assembly machine for column pipes in process to reduce manual work & improve quality by reducing the chances of defects
6. Commissioned & started CPVC Pipe Complete line for Higher dia up to 4" from M/s. Kabra

7. Modified existing 3 old machines to show Melt pressure & temperature in PVC for better processing.
8. Planning to install online bundling machine for ASTM & CPVC Pipes.
9. Upgradation of VCB for 2500 KVA transformer with latest relay REJ-601.
10. Replacement of Wheel printing by Inkjet printers in CPVC & ASTM pipes.
11. Online weighing & bar coding system of Column Pipes Bundles.

### C. Foreign Exchange Earning & Outgo

(₹ In Lakhs)

Sr. No.	Particulars	FY 2023-24	FY 2022-23
1.	Foreign Exchange earned in terms of Actual Inflows	-	-
2.	Foreign Exchange spent in terms of Actual Outflows		
	CIF Value of Import (Raw Material)	5,891.17	16,147.03
	CIF Value of Import (Capital Goods)	0.00	5.19

## Annexure E

# Vigil Mechanism / Whistle Blower 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 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 adhering 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 Industries (India) Limited, and all its offices.

4.5. **"Code"** means Code of Conduct for Directors and Senior Management Executives adopted by Kriti Industries (India) 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 Industries (India) Limited  
Brilliant Sapphire, 801-804, 8<sup>th</sup> Floor, Plot No. 10  
Scheme no 78-II, Vijay Nagar, Indore (M.P.) 452010  
Email- whistleblower@kritiindia.com

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

**Name and Address of Chairman –**

Shri Chandrasekharan Bhaskar  
Chairman Audit Committee  
Kriti Industries (India) Limited  
C-2/2522, Vasant Kunj, New Delhi - 110 070

- 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 F

# FORM NO. MR-3 Secretarial Audit Report

For the financial year ended March 31, 2024

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To  
The Members  
**KRITI INDUSTRIES (INDIA) LIMITED**  
CIN: L25206MP1990PLC005732  
**Registered Office:** Mehta Chambers,  
34-Siyagunj, Indore (M.P.) – 452007  
**Corporate Office:** 8<sup>th</sup> Floor, Plot no.10, PSP,  
IDA Scheme no. 78-II,Vijay Nagar  
Indore (M.P.) 452010

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **KRITI INDUSTRIES (INDIA) LIMITED** (hereinafter called the Company) having **CIN-L25206MP1990PLC005732** 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, KMPs, 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 March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **KRITI INDUSTRIES (INDIA) LIMITED** for the financial year ended on March 31, 2024, 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; (Not Applicable to the Company during the audit period)
  - 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

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

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

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and

Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Except In the related party transaction report for the period ended 30.09.2023 opening balance of inter corporate deposit with Kriti Nutrients Ltd. was of ₹240.00 Million, however, the closing balance in the report for the period ended 31.03.2023 was ₹249.70 Million. was filled on stock exchanges.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**For Ajit Jain & Co.,**

Practicing Company Secretaries

**CS Ajit Jain**

(Proprietor)

M. No. F3933/C.P. No. 2876

UDIN:F003933F000292947

Peer Review No.: 767/2020

PCS Unique ID No.: S1998MP023400

Place: Indore

Dated: 03.05.2024

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



## 'Annexure -1'

To,  
The Members  
**Kriti Industries (India) Limited**  
CIN-L25206MP1990PLC005732

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

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

**For Ajit Jain & Co.,**  
Practicing Company Secretaries

**CS Ajit Jain**  
(Proprietor)

M. No. F3933/C.P. No. 2876

UDIN:F003933F000292947

Peer Review No.: 767/2020

PCS Unique ID No.: S1998MP023400

Place: Indore  
Dated: 03.05.2024

# Corporate Governance Report

## I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

On the same lines the Company has always followed fair business and corporate practices while dealing with the shareholders, employees, customers, creditors, lenders, all stakeholders 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

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

(i) **The Board of Directors** - The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals & targets,

policies, governance standards, reporting mechanism & accountability and decision making process to be followed.

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

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

## III. BOARD OF DIRECTORS

The Board of directors of the company consists of an optimum combination of executive, non-executive and independent directors, ensuring 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 financial year 2023-24, the Board consists of **Seven (7)** directors, out of which **Five (5)** are Non-Executive Directors including **Four (4)** Independent Directors.

The names and categories of the- Directors on the Board, their attendance at Board Meetings during the year under review and at the last Annual General Meeting and 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 of Board Meetings eligible to attend during the year	No. of Board Meeting Attended	Attended last AGM held on 28.08.2023	No. of Directorship in other public Companies As on 31.03.2024	No. of Memberships/ Chairmanship in Committee of Directors in all Public Companies#		No. of shares held in the Company	Relationship of Directors Inter-se
							Chairman	Member		
1.	Mr. Shiv Singh Mehta Chairman and Managing Director (DIN: 00023523)	Promoter Executive	5	5	Yes	2	0	2	20,67,299 (4.17%)	1) Spouse of Smt. Purnima Mehta-WTD; 2) Father of Shri Saurabh Singh Mehta-NED
2.	Mrs. Purnima Mehta Whole Time Director (DIN: 00023632)	Promoter Executive	5	5	Yes	1	1	3	2,97,587 (0.60%)	1) Spouse of Shri Shiv Singh Mehta-CMD; 2) Mother of Shri Saurabh Singh Mehta-NED

Sr. No.	Name of Directors	Category	Total number of Board Meetings eligible to attend during the year	No. of Board Meeting Attended	Attended last AGM held on 28.08.2023	No. of Directorship in other public Companies As on 31.03.2024	No. of Memberships/ Chairmanship in Committee of Directors in all Public Companies#		No. of shares held in the Company	Relationship of Directors Inter-se
							Chairman	Member		
3.	Mr. Saurabh Singh Mehta Director (DIN: 00023591)	Promoter Non-Executive	5	5	Yes	3	0	1	30,423 (0.06%)	Son of Shri Shiv Singh Mehta, CMD and Smt. Purnima Mehta- WTD.
4.	Mr. Rakesh Kalra Director (DIN: 00780354) (retired w.e.f. closure of business hours of 31st March, 2024)	Independent Non-Executive	5	5	Yes	6	0	2	Nil	Not applicable
5.	CA Manoj Fadnis Director (DIN: 01087055) (retired w.e.f. closure of business hours of 31 <sup>st</sup> March, 2024)	Independent Non-Executive	5	5	Yes	4	3	1	Nil	Not applicable
6.	Mr. Chandrasekharan Bhaskar Director (DIN: 00003343)	Independent Non-Executive	5	5	Yes	4	1	1	Nil	Not applicable
7.	Mr. Hitendra Mehta Director (DIN: 01935959)	Independent Non-Executive	5	3	No	1	Nil	Nil	Nil	Not applicable

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

S. No.	Name of Director	Name of other Listed entities in which person is Director	Category of Directorship
1.	Mr. Shiv Singh Mehta	Kriti Nutrients Limited	Chairman and Managing Director, Promoter, Executive
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
5.	CA Manoj Fadnis	Kriti Nutrients Limited	Non-Executive - Independent Director
		The Federal Bank Ltd	Non-Executive - Independent and Shareholder Director
6.	Mr. Chandrasekharan Bhaskar	Kriti Nutrients Limited	Non-Executive - Independent Director
		Xpro India Limited	Managing Director, Executive
7.	Mr. Hitendra Mehta	-	-

Details about Directors seeking Appointment / Reappointment(s) at the forthcoming Annual General Meeting are given separately along with Notice convening the said Meeting.

CS Tanuj Sethi is Company Secretary & Compliance Officer of the Company as well as functioning as the Secretary of all committees.

During the financial year 2023-24 the Board of Directors met **Five (5)** times on (i) 25<sup>th</sup> May, 2023 (ii) 22<sup>nd</sup> July, 2023 (iii) 8<sup>th</sup> November, 2023 (iv) 25<sup>th</sup> January, 2024 and (v) 28<sup>th</sup> March, 2024.

#### **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:

1. 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.

2. Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
3. Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,
4. Financial and Management skills,
5. Technical / Professional skills and specialized knowledge in relation to Company's business.

#### DIRECTORS HAVING SUCH SKILL AND COMPETENCIES

Skills to be possessed by Directors	Mr. Shiv Singh Mehta	Mrs. Purnima Mehta	Mr. Saurabh Singh Mehta	Mr. Rakesh Kalra	CA Manoj Fadnis	Mr. Chandrasekharan Bhaskar	Mr. Hitendra Mehta
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	Yes
Behavioral 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	Yes
Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Financial and Management skills.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Technical / Professional skills and specialized knowledge in relation to Company's business.	Yes	Yes	Yes	Yes	Yes	Yes	Yes

#### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has familiarization program for Independent Directors to provide them with an opportunity to familiarize themselves with the Company, its Management, its operations and the industry in which the Company operates. On his appointment, an Independent Director, receives a formal letter of appointment, setting out in detail the role, functions, duties and responsibilities expected of him as an Independent Director of the Company. Further the Directors of the Company are updated on changes/ developments in domestic/ global corporate and industry scenario including those pertaining to statutes/ legislations and economic environment and on matters related to the Company covering its plants, products, marketing, competitors and other functions. Familiarisation Programme can be accessed at the link: <https://kritiindustries.com/investor-desk/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 the Independent Directors have given disclosure as required under the Companies Act, 2013 and Listing Regulations that they are independent of the management

and the Management does hereby confirms their independency.

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

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

#### IV. AUDIT COMMITTEE

The Board has constituted a well-qualified Audit Committee. Majority of the members of the Committee are Independent Directors including the Chairman. All the members are financially literate and possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

The Audit Committee is in compliance with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 as applicable.

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 in the Company	Position in the Committee	No. of Meetings Attended
1.	CA Manoj Fadnis	Independent Director	Chairman	4
2.	Mr. Rakesh Kalra	Independent Director	Member	4
3.	Mrs. Purnima Mehta	Whole-time Director	Member	4

During the year under review, the Committee met on (i) 25th May, 2023 (ii) 22nd July, 2023 (iii) 8th November, 2023 and (iv) 25th January, 2024.

The Company Secretary is also functioning as the secretary to the Committee.

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

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's/Directors' report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the Whistle Blower mechanism;
  19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
  22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
2. Management letters/letters of internal control weaknesses issued by the statutory auditors;
  3. Internal audit reports relating to internal control weaknesses;
  4. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee;
  5. statement of deviations:
    - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - b. annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).
  6. The Audit Committee is also responsible for giving guidance and directions under the SEBI (Prohibition of Insider Trading) Regulations, 2015; and
  7. Utilization of loan and advances, if any.

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

### 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;

## V. NOMINATION & REMUNERATION COMMITTEE

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

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 in the Company	Position in the Committee	No. of Meetings Attended
1.	Mr. Rakesh Kalra	Independent Director	Chairman	2
2.	CA Manoj Fadnis	Independent Director	Member	2
3.	Mr. Chandrasekharan Bhaskar	Independent Director	Member	2

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

During the year under review, the Committee met Two (2) times during the financial year on (i) 25th May, 2023 and (ii) 28th March, 2024

The Company Secretary is also functioning as the secretary to the Committee.

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

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

(1A) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates.

(2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

(3) devising a policy on diversity of board of directors;

(4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

(5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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

#### PERFORMANCE EVALUATION CRITERIA FOR DIRECTORS INCLUDING INDEPENDENT DIRECTORS

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

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

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

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

The details of Remuneration to Directors during the financial year 2022-23 are as follows:

Sr. No.	Name of the Directors	Designation	Service Contract	Remuneration drawn Amount (Rs in Lakhs)		Stock Options Granted
				Salary, Allowances, Perquisites & Commission	Sitting Fees	
1.	Mr. Shiv Singh Mehta	Chairman and Managing Director	01.10.2021 to 30.09.2026	73.20	-	-
2.	Mrs. Purnima Mehta	Whole Time Director	01.07.2022 to 30.06.2025	59.84	-	-
3.	Mr. Saurabh Singh Mehta	Non Executive Director	Liable to retire by rotation	-	1.00	-
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. Chandrasekharan Bhaskar	Independent Director	12.05.2021 to 11.05.2026	-	1.00	-
7.	Mr. Hitendra Mehta	Independent Director	13.08.2021 to 12.08.2026	-	0.60	-

## 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, non-receipt of dividend, claims of shares from the IEPF Authority, non-receipt of Annual Reports 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 (LODR) Regulations, 2015.

During the financial year ended 31st March, 2024, Fifteen (15) Complaints were received from shareholders and the same were redressed to the satisfaction of the shareholders and no such complaints were pending as on 31st March, 2024.

Mr. Chandrasekharan Bhaskar, Non-Executive-Independent Director, is the Chairman of the Committee. While Mr. Shiv Singh Mehta, Chairman and Managing Director, Mrs. Purnima Mehta, Whole Time Director and Mr. Saurabh Singh Mehta, Non-Executive Director are the Members.

The Company Secretary is also acting as the Compliance Officer and as the secretary to the 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, 2024 the Committee met 5 (Five) Times on 17<sup>th</sup> August 2023, 15<sup>th</sup> September 2023, 9<sup>th</sup> October 2023, 8<sup>th</sup> November 2023 and 25<sup>th</sup> January 2024 in which all the members have attended the meeting.

## VII. CORPORATE SOCIAL RESPONSIBILITY

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

The composition of the Corporate Social Responsibility Committee and the attendance of Members at the Corporate Social Responsibility Committee meetings is as below:

Sr. No.	Name of the Members	Designation in the Company	Position in the Committee	No. of Meetings Attended
1.	Mr. Shiv Singh Mehta	Managing Director	Chairman	1
2.	Mrs. Purnima Mehta	Whole-time Director	Member	1
3.	Mr. Rakesh Kalra	Independent Director	Member	1

During the year under review, Corporate Social Responsibility Committee met once i.e. on 8<sup>th</sup> November, 2023.

### The Company Secretary is also functioning as the secretary to the Committee.

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

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

## VIII. INDEPENDENT DIRECTORS' MEETING

The Statutory role of Independent Directors Meeting is to review the performance of Non-Independent Directors, the Board and the Chairman of the Company and also to assess quality, content and timeliness of the flow of information between the Company Management and the Board and its Committees. Meeting of the Independent Directors was held on 28<sup>th</sup> March, 2024 to review the performance of Non-Independent Directors including the Chairman and the Board as a whole and was attended by all Independent Directors of the Company.



## IX. SENIOR MANAGEMENT

Sr. No.	Name of the Senior Management	Designation in the Company	Change during the year	Date of such change
1.	Mr. Rajesh Sisodia	CFO	-	-
2.	Mr. Tanuj Sethi	CS & Compliance Officer	-	-

## X. GENERAL MEETINGS

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

Year	Location	Date	Type of General Meeting	Time	Special Resolutions	Special resolution through postal Ballot
2022-23	Held through VC/OAVM in which Deemed venue for the AGM was at 8th Floor, Brilliant Sapphire, Plot No. 10, PSP,IDA Scheme No. 78-II, Indore -452010 (MP)	28 <sup>th</sup> August, 2023	AGM	3:00 P.M.	No	-
2021-22	Do	17 <sup>th</sup> August, 2022	AGM	3:00 P.M.	Yes (1)	-
2020-21	Do	7 <sup>th</sup> August, 2021	AGM	3:00 P.M.	Yes (2)	-

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

## XI. 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 or Chautha Sansar' Newspapers and are displayed on its website ([www.kritiindustries.com](http://www.kritiindustries.com)).

**Website:** The Company's website ([www.kritiindustries.com](http://www.kritiindustries.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 (Standalone and Consolidated), Directors' Report and its annexures as required, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussions and Analysis Report forms part of the Annual Report and is displayed on the Company's website ([www.kritiindustries.com](http://www.kritiindustries.com)).

**BSE Corporate Compliance and Listing Centre (the 'Listing Centre') and NSE's Electronic Application Processing System (NEAPS):** BSE's Listing Centre and NSE's NEAPS are web-based application designed for corporate. All periodical compliance filings like financial results, shareholding pattern, corporate governance report, Annual Report, Related Party Transactions, Investors

complaint, Annual Secretarial Compliance Report, etc. as required under SEBI (LODR) Regulations as well as SEBI (PIT) Regulations and other requirements as may be applicable from time to time are 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.

**Presentation made to Institutional Investors or to the analysts:** Presentation made to Investors/ Analysts are available on the website of stock exchanges where the shares of the Company are listed (BSE and NSE) as well as on the Company's website.

## XII. OTHER DISCLOSURES UNDER SEBI LISTING REGULATIONS

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

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

Weblink-<https://kritiindustries.com/investor-desk/policies/>

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

2. The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. 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 the Chairman/Secretary of the Audit Committee. In exceptional cases employees may also report directly to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.
3. Your Board affirms that, there is no such instances where the Board has not accepted any recommendation of any committee of the Board during the financial year.
4. The Company has not raised money through an issue (public issues, rights issues, preferential issues etc.) during the year under review.
5. The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2023-24 are as under:
  - a. Number of complaints filed during the financial year: NIL
  - b. Number of complaints disposed of during the financial year: NIL
  - c. Number of complaints pending as on end of the financial year: NIL
6. The Company complied with all mandatory requirements and has adopted non-mandatory requirement as per details given below:

**A. The Board:**

The Company is having Executive Chairman.

**B. Shareholder's Rights:**

The quarterly and half yearly results are published in the newspaper and also displayed on the website of the Company and are submitted and hosted at the portal of National Stock Exchange

of India Ltd. and BSE Ltd. where the shares of the Company are listed.

**C. Audit Qualification:**

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

**D. Reporting of Internal Auditor:**

The Internal Auditors of the Company report to the Audit Committee.

7. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: The company has paid ₹5.37 Lakhs to M/s Rakesh Kumar & Associates for the year ended 31st March, 2024 and the consolidated Remuneration given to the Auditors for the year 2023-24 is ₹5.87 Lakhs.
8. Company has also annexed a certificate from M/s Ajit Jain & Co., Company Secretaries, a Practicing Company Secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority as at 31<sup>st</sup> March, 2024.
9. The company has a demat suspense account/unclaimed suspense account during the year under review. No shares have been credited during the year under review.
10. Secretarial Compliance Report: In compliance of the SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24A (2) of the SEBI (LODR) Regulations, 2015, the Company has engaged the services of CS Ajit Jain (CP No. 2876), Practicing Company Secretary for providing said report. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report provided by Practicing Company Secretaries under Form MR-3.
11. Disclosure by the company and its subsidiary company of loans and advances in the nature to Firms/companies in which directors are interested. Neither Company nor its wholly owned subsidiary company (Kriti Auto & Engineering Plastics Private Limited) has given any loans and advances in the nature of loans to Firms/companies in which directors are interested except loans and advances given by its wholly owned subsidiary company to the Company. Details are given in the notes to the accounts.
12. Since, the company is not having any material subsidiary, therefore, the requirement for furnishing information of material subsidiary company is not applicable.

13. The company has not entered into any type of agreements as prescribed under Clause 5A of Part A of Schedule III of the SEBI (LODR) Regulations, 2015.

they have adhered to the Code of Conduct during the year ended at 31<sup>st</sup> March, 2024. and the declaration to that effect from Chairman and Managing Director is annexed to this report.

### XIII. CONFIRMATION OF COMPLIANCE

1. The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.
2. The Company has laid down Code of Conduct for the Directors and Senior Management Personnel of the Company and they have affirmed to the Board that

3. The compliance Certificate from M/s Ajit Jain & Co., Company Secretaries that the Company has complied with the conditions of Corporate Governance is annexed to the Report of the Board of Directors.
4. Matters required to be covered under Management Discussion and Analysis report are covered in the Report of the Board of Directors under relevant heads, hence not been given separately.

### XIV. GENERAL SHAREHOLDER INFORMATION

1.	The Company is registered in the State of Madhya Pradesh, India with the Registrar of Companies, Gwalior. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L25206MP1990PLC005732.	
2.	<b>Annual General Meeting Date, Time and Venue</b>	18 <sup>th</sup> June, 2024 at 3.00 P.M.(through VC/OAVM) for which purposes deemed venue shall be at 8 <sup>th</sup> Floor, Brilliant Sapphire, Plot No. 10, PSP, IDA, Scheme No. 78-II, Indore (M.P.) – 452010
3.	<b>Book Closure Date</b>	Wednesday, the 12 <sup>th</sup> June, 2024 to Tuesday the 18 <sup>th</sup> June, 2024 (Both days inclusive)
4.	<b>Dividend Payment Date</b>	Dividend of ₹0.20 (20%) per equity share of ₹1/- each for the financial year ended 31 <sup>st</sup> March, 2024 as recommended by the Board of Directors, if approved at the Annual General Meeting, will be paid to the Members on or before dated 17 <sup>th</sup> July, 2024.
5.	<b>Financial Year</b>	April 1 to March 31
6.	<b>Financial Calendar for the Year ending</b>	31 <sup>st</sup> March, 2025
	<b>Sr.No.</b>	<b>Particulars</b>
	1.	Unaudited Financial Results for the First Quarter ending 30 <sup>th</sup> June, 2024
	2.	Unaudited Financial Results for the Second Quarter ending 30 <sup>th</sup> September, 2024
	3.	Unaudited Financial Results for the Third Quarter ending 31 <sup>st</sup> December, 2024
	4.	Audited Financial Results for the Fourth Quarter ending 31 <sup>st</sup> March, 2025
	5.	Annual General Meeting for the year ending 31 <sup>st</sup> March, 2025
	6.	Listing on Stock Exchange
		National Stock Exchange of India Limited Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (E), Mumbai-400051 Symbol : KRITI BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Scrip Code – 526423
		ISIN
		ISIN - INE479D01038

7. Annual Listing fees for the year 2024-25 have been duly paid to the above Stock Exchanges and the trading of the shares being regular during the year under review.
8. Annual Custody / Issuer fee for the year 2024-25 has been paid to NSDL. CDSL has raised invoice at end of April, 2024 and same will be paid within due date.

## 9. Stock Market Data:

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

Month/Year	Kriti		BSE Sensex		Kriti		NIFTY	
	Price (₹)		High	Low	Price (₹)		High	Low
	High	Low			High	Low		
Apr 2023	119.70	101.15	61209.46	58793.08	116.50	101.00	18089.15	17312.75
May 2023	117.95	98.00	63036.12	61002.17	118.00	97.00	18662.45	18042.40
June 2023	113.95	97.00	64768.58	62359.14	114.40	97.00	19201.70	18464.55
July 2023	140.75	104.10	67619.17	64836.16	140.85	104.40	19991.85	19234.40
Aug 2023	122.00	101.00	66658.12	64723.63	122.95	101.25	19795.60	19223.65
Sep 2023	112.20	96.10	67927.23	64818.37	112.45	96.15	20222.45	19255.70
Oct 2023	117.84	92.70	66592.16	63092.98	108.70	92.35	19849.75	18837.85
Nov 2023	113.70	87.95	67069.89	63550.46	113.90	88.40	20158.70	18973.70
Dec 2023	121.50	100.55	72484.34	67149.07	122.00	100.85	21801.45	20183.70
Jan 2024	138.85	101.65	73427.59	70001.60	139.00	101.50	22124.15	21137.20
Feb 2024	181.35	124.20	73413.93	70809.84	182.00	123.60	22297.50	21530.20
Mar 2024	165.05	119.75	74245.17	71674.42	163.95	117.05	22526.60	21793.10

## 10. Dividend History:

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

Sr. No.	Financial Year	% of Interim Dividend	% of Final Dividend	% of Total Dividend	Dividend Amount in Lakhs
1.	2022-23	-	-	-	-
2.	2021-22	-	20	20	99.21
3.	2020-21	-	20	20	99.21
4.	2019-20	-	15	15	74.40
5.	2018-19	-	15	15	74.40

## 11. Registrar & Transfer Agent:

**Ankit Consultancy Pvt. Limited**

Plot No. 60, Electronic Complex, Pardeshipura

Indore- 452 010 (M.P.)

SEBI Reg. No. NR000000767

Tel: 0731-4065797/ 0731-4065799

E-mail: investor@ankitonline.com

## 12. Distribution of Shareholding as on 31<sup>st</sup> March,2024:

Shares Holding of Nominal Value of ₹	No. of Shareholders	% of Shareholding
1-1000	12246	4.72
1001-2000	720	2.27
2001-3000	216	1.10
3001-4000	158	1.11
4001-5000	67	0.64
5001-10000	144	2.14
10001-20000	47	1.34
20001-30000	18	0.92
30001-40000	15	1.07
40001-50000	4	0.36
50001-100000	11	1.65
100000 Above	19	82.69
<b>Total</b>	<b>13665</b>	<b>100.00</b>

**13. Dematerialization of Shares:**

4,87,89,120 Equity Shares i.e. 98.36% of the total Equity Shares have been dematerialized upto 31st March, 2024. Trading in Equity Shares of the Company on Stock Exchanges is permitted only in dematerialized form as per the directions issued by the Securities and Exchange Board of India in that behalf.

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

**15. Commodity price risk or foreign exchange risk and hedging activities:**

The Company does not have any exposure hedged through commodity derivatives. During the year 2023-24, 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 imports.

**16. Plant Location:**13/1 Tarpura, 75-86, Sector No. 2, Industrial Area, Pithampur, Dist. Dhar (M.P.)-454775

**16. Address for Investor Correspondence:**

<b>Registered Office:</b>	<b>Corporate Support Centre:</b>
<b>Kriti Industries (India) Limited</b> 34, Mehta Chambers, Siyagunj Indore 452007 (M.P.) Tel: 0731-2540963 Email:cs1@kritiindia.com	<b>Kriti Industries (India) Limited</b> Brilliant Sapphire, 801-804, 8 <sup>th</sup> Floor Plot No. 10, Sch No.78-II, Vijay Nagar Indore – 452010 (M.P.) Tel: 0731-2719100 Email: cs1@kritiindia.com

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

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

Place: Indore  
Date: 03.05.2024

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

## Annexure-1

## Corporate Governance Certificate

To  
The Members of  
**KRITI INDUSTRIES (INDIA) LIMITED**  
CIN L25206MP1990PLC005732  
Registered Office: Mehta Chambers,  
34-Siyaganj, Indore (M.P.) 452007

1. I, Ajit Jain, Proprietor at Ajit Jain & Co., Practicing Company Secretaries, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2024, 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, 2024.
6. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
7. The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

**For Ajit Jain & Co.**  
Company Secretaries

**CS Ajit Jain**  
(Proprietor)  
M.No: 3933  
C.P. No: 2876

UDIN number: F003933F000293024  
Peer Review Certificate No. 767/2020  
PCS Unique ID No.: S1998MP023400

Place: Indore  
Date: 03/05/2024

## 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 Industries (India) Limited,**  
CIN: L25206MP1990PLC005732  
Mehta-Chambers 34, Siyaganj, Indore MP-452007.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kriti Industries (India) Limited, having CIN L25206MP1990PLC005732 and having registered office at Mehta-Chambers 34, Siyaganj, Indore MP-452007 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 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/PANs	Date of appointment in Company
1.	Shiv Singh Mehta	00023523	01/10/2010
2.	Saurabh Singh Mehta	00023591	07/02/2018
3.	Purnima Mehta	00023632	01/10/1999
4.	Rakesh Kalra	00780354	24/06/2006
5.	Manoj Fadnis	01087055	24/06/2006
6.	Chandrasekharan Bhaskar	00003343	12/05/2016
7.	Hitendra Mehta	01935959	13/08/2021

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

**For Ajit Jain & Co.**  
Company Secretaries

**CS Ajit Jain**  
(Proprietor)  
M.No: 3933  
C.P. No: 2876

UDIN:F003933F000293332

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

Place: Indore  
Date: 03/05/2024



# Financial Statements





# Independent Auditor's Report

To,  
The Members,  
**Kriti Industries (India) Limited**

## Report on Audit of the Standalone Financial Statements:

### Opinion:

We have audited the accompanying standalone financial statements of **KRITI INDUSTRIES (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2024**, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion:

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our Responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### 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 financial year ended on March 31, 2024. 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.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statement section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

S.No.	Key Audit Matter	Auditor's Response
1.	<u>Evaluation of Litigations and Tax Positions</u>  [Note No. 30(c) read with Note No. 2.2.9 to the standalone financial statements]:	Our audit approach involved: -  a) Obtaining an understanding of the current status of the key tax litigations/tax assessments;  b) Evaluating the Company's assessment of the possible outcome of tax litigations, potential tax exposures and related disclosures in the standalone financial statements.

S.No.	Key Audit Matter	Auditor's Response
	The Company's operations are subject to periodic challenges by local tax authorities on a range of tax matters arising in the normal course of business including direct tax and indirect tax matters. Estimating the income tax expense also requires the Company to determine the probability of tax authorities accepting a particular tax treatment for potential tax exposures. These involve significant judgment by the Company to determine the possible outcome of the tax litigations and potential tax exposures, consequently having an impact on related accounting and disclosures in the standalone financial statements.	<p>c) Examining communication received from various Tax Authorities/ Judicial forums and consultations carried out by the Company including with external tax experts for key tax litigations and follow up action thereon;</p> <p>d) Evaluating the status of the recent tax assessments / inquiries, results of previous tax assessments, legal precedence / judicial rulings and changes in the tax environment. This is performed to assess and challenge the Company's estimate of the possible outcome of key tax litigations.</p> <p>e) Evaluating the merit of the subject matter under consideration with reference to available independent legal / tax advice; and</p> <p>f) 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.</p>
	We determined the above areas as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters.	

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information ("the Other Information"), but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair

view of the financial position, financial performance, total 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis for accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone 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 the 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 the users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause an entity 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative

materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 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 auditor's 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 (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2)
  - (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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of accounts.
    - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure – B**". Our report expresses an unmodified opinion on the adequacy and the operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 30(c) to the standalone Ind AS financial statements.
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There was no delay in transferring the amount, required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March 2024.
  - d) (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in the **Note 47 (vi)** to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the **Note 47 (vii)** to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The company has not paid any dividend during the current year as no dividend was declared for the previous year. As stated in **Note 44** to the financial statements, the Board of Directors of the Company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- f) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
- (C) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

**FOR RAKESH KUMAR & ASSOCIATES**

Chartered Accountants  
Firm Reg. No.: 002150C

**CA. PUNEET GUPTA**

Partner

Place : Indore  
Date : 03<sup>rd</sup> May 2024

Membership No.: 413168  
UDIN : 24413168BKBFKY2024

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

The Annexure referred to in paragraph 1 under “Report on other Legal and Regulatory Requirements” of our Independent Auditor’s Report of even date on the standalone Ind AS financial statements to the members of Kriti Industries (India) Limited for the year ended 31<sup>st</sup> March 2024, we further report that:

- (i) (a) (A) As informed to us, the Company has maintained proper records, on yearly basis, showing full particulars, including quantitative details and situation of property, plant and equipment.  
(B) As informed to us, the Company has maintained proper records showing full particulars of Intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the management of the Company has done physical verification of certain property, plant and equipment at reasonable intervals in accordance with programme of verification, which in our opinion is reasonable, having regard to the size of the company and nature of its assets and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) As informed to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No material discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, no material discrepancy has been noticed in the quarterly returns or statements filed by the Company with such banks when compared with the books of accounts of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided any guarantee or security or granted any loans or advances in the nature of loans to companies, firms, limited liability partnerships or any other parties during the year.
  - (a) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not provided loans or advances in the nature of loans, or guarantee or security to any other entity during the year. Accordingly, clause 3(iii)(a)(A) and 3(iii)(a)(B) is not applicable to the company.
  - (b) - (f) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the company has not made any investment, provided the guarantees or security or loans or advances in the nature of loans during the year. Accordingly, clause 3(iii)(b) to 3(iii)(f) is not applicable to the company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security or made any investments during the year as specified under Section 185 and Section 186 of the Companies Act, 2013. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has neither accepted nor invited any deposits or amounts which are deemed to be deposits from the public within the provision of Section 73 to 76 of Companies Act, 2013 and rules made there under. Accordingly, clause 3(v) of the Order is not applicable.

- (vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of the cost records under section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made detailed examinations of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanation given to us, the Company has been generally regular in depositing undisputed dues relating

to Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duties of Customs, Duties of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with appropriate authorities. There are no undisputed statutory dues payable which are outstanding as at March 31, 2024 for a period of more than 6 months from the date they became payable.

- (b) According to the information and explanations given to us, following dues of Income Tax, Sales Tax, Duties of Excise or Value Added Tax has not been deposited on account of any dispute: –

Name of the Statute (Nature of the Dues)	Forum where Matter is pending	Period to which the amounts relates	Amount (in ₹)
Central Sales Tax	High Court of MP	2005-06	7238189
Central Sales Tax	High Court of MP	2006-07	1344795
Entry Tax	High Court of MP	2007-08	1355843
Excise Duty	Commissioner (Appeals) , Bhopal	2012-13	1561842
Excise Duty	Commissioner (Appeals) , Bhopal	2013-14	2975540
Excise Duty	CESTAT , New Delhi	2011-12 & 2012-13	6910490
Excise Duty	CESTAT , New Delhi	2013-14	1903223
Excise Duty	CESTAT , New Delhi	2016-17	506346
Central Sales Tax	Deputy Commissioner, Indore	2014-15	269734
Central Sales Tax	Additional Commissioner, Indore	2015-16	846438
Income Tax	Asst. Director, IT, CPC , Bengaluru	2019-20	94170

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

- (ix) (a) According to information and explanations given to us by the management and according to the records of the company examined by us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings from any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans availed by the company were, prima-facie, applied by the company for the purpose for which the loans were obtained.

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates, as defined in the Act. The Company does not hold any investment in any joint venture (as defined in the Act) during the year ended 31<sup>st</sup> March 2024.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries and associates (as defined under the Act). The Company does not hold any investment in any joint venture (as defined in the Act) during the year ended 31<sup>st</sup> March 2024.

- (x) (a) To the best of our knowledge and belief and according to the information and explanations given to us and based on documents provided to us, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanation given to us, the Company has not made any preferential allotment/private placement of shares or fully or partly convertible debenture during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books of accounts and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on the company by its officers/employees or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the cost auditors / secretarial auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, no whistle blower complaints have been received by the Company during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause 3(xii)(a) to 3(xii)(c) of the Order is not applicable.
- (xiii) According to the information and explanation given to us, and based on document provided to us, all transactions with the related parties are in compliance with section 177 & section 188 of the Companies Act 2013 where applicable and details of such transactions to the extent required has been disclosed in the standalone Ind AS financial statements as required by applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) – (b) In our opinion and according to explanations given to us, the company is not required to get registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current financial year. However , the Company has incurred cash losses of ₹1427.49 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a

period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of the documents produced before us, the company in respect of ongoing projects, has transferred the unspent

amount to a special account in compliance with the provisions of sub-section (6) of the Section 135 of the Companies Act.

**FOR RAKESH KUMAR & ASSOCIATES**

Chartered Accountants  
Firm Reg. No.: 002150C

**CA. PUNEET GUPTA**

*Partner*

Place : Indore  
Date : 03<sup>rd</sup> May 2024

Membership No.: 413168  
UDIN : 24413168BKBFKY2024



# “Annexure B” to the Auditor’s Report

*The Annexure referred to in paragraph 2(A)(f) under “Report on other Legal and Regulatory Requirements” of our Independent Auditor’s Report of even date on the standalone Ind AS financial statements to the members of Kriti Industries (India) Limited for the year ended 31<sup>st</sup> March 2024.*

## 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 with reference to standalone financial statements of **Kriti Industries (India) Limited** (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

## Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“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 with reference to standalone financial statements 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 Standards on Auditing, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 internal financial controls system with reference to standalone financial statements.

## Meaning of Internal Financial Controls with reference to standalone financial statements

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

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

## Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone

financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR RAKESH KUMAR & ASSOCIATES**

Chartered Accountants  
Firm Reg. No.: 002150C

**CA. PUNEET GUPTA**

*Partner*

Place : Indore  
Date : 03<sup>rd</sup> May 2024

Membership No.: 413168  
UDIN : 24413168BKBFKY2024

# Balance Sheet as on 31.03.2024

(₹ in Lakhs)

Particulars	Note No	As at 31.03.2024	As at 31.03.2023
<b>ASSETS</b>			
<b>(1) NON CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	3	15,529.15	12,349.59
(b) Capital work-in-progress	4	1,322.21	1,688.75
(c) Other Intangible assets	5	3.75	4.54
(d) Financial Assets			
(i) Investments	6	1,197.96	1,061.96
(iii) Other financial assets	7	319.46	191.41
<b>Total Non Current Assets</b>		<b>18,372.53</b>	<b>15,296.25</b>
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	8	15,574.04	15,943.71
(b) Financial Assets			
(i) Trade receivables	9	6,674.38	5,343.34
(ii) Cash and cash equivalents	10	0.99	2.10
(iii) Bank balances other than (ii) above	11	2,007.32	1,279.84
(c) Income tax assets (Net)	12	39.70	205.76
(d) Other current assets	13	3,391.52	3,790.18
<b>Sub Total</b>		<b>27,687.95</b>	<b>26,564.93</b>
<b>Total Current Assets</b>		<b>27,687.95</b>	<b>26,564.93</b>
<b>Total Assets</b>		<b>46,060.48</b>	<b>41,861.18</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	14	496.04	496.04
(b) Other Equity	15	14,545.57	12,441.59
<b>Total Equity</b>		<b>15,041.61</b>	<b>12,937.63</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	5,777.34	3,324.83
(a) Lease Liability	16	210.26	241.20
(b) Deferred tax liabilities (Net)	17	1,134.91	286.82
(c) Other non-current liabilities	18	450.92	430.08
(d) Provisions	23	113.73	55.24
<b>Total non current Liabilities</b>		<b>7,687.16</b>	<b>4,338.17</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	7,677.43	9,194.56
(ii) Lease Liability	16	30.94	25.57
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note No.33)	20	236.64	359.62
(b) Total outstanding dues of creditors other than micro and small enterprises	20	13,101.41	12,561.47
(iv) Others	21	11.70	15.12
(b) Other current liabilities	22	2,055.85	2,230.45
(c) Provisions	23	217.74	198.59
<b>Current Liabilities</b>		<b>23,331.71</b>	<b>24,585.38</b>
<b>Total Equity and Liabilities</b>		<b>46,060.48</b>	<b>41,861.18</b>

## Material Accounting Policy Information & Notes to the accounts 1 - 48

As per our Report of even date attached

For Rakesh Kumar & Associates

Chartered Accountants

F.R.N. 002150C

For and on behalf of the Board of Directors

**Puneet Gupta**

Partner

M.No. 413168

**Shiv Singh Mehta**

Chairman and Managing Director

DIN 00023523

**Rajesh Sisodia**

Chief Financial officer

**Purnima Mehta**

Executive Director

DIN 00023632

**Tanuj Sethi**

Company Secretary

M.No. A69680

Place: Indore

Date:- 3<sup>rd</sup> May, 2024

## Statement of Profit & Loss

For the period ended 31.03.2024

(₹ in Lakhs)

Particulars	Note No	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>REVENUE</b>			
Revenue From Operations	24	86,662.61	73,247.39
Other Income	25	337.59	353.07
<b>Total Income</b>		<b>87,000.20</b>	<b>73,600.46</b>
<b>EXPENSES</b>			
Cost of materials consumed		68,403.37	62,885.56
Changes in inventories of finished goods, Stock-in-Trade and Work-in-Progress		515.10	1,976.46
Employee benefits expense	26	3,527.44	2,931.38
Finance costs	27	2,096.26	1,735.49
Depreciation and amortization expense	3-4	1,199.45	913.35
Other expenses	28	8,269.02	6,228.64
<b>Total Expenses</b>		<b>84,010.64</b>	<b>76,670.88</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>2,989.56</b>	<b>(3,070.42)</b>
Exceptional Items (Impairment Loss)		-	-
<b>Profit/(loss) before tax</b>		<b>2,989.56</b>	<b>(3,070.42)</b>
<b>Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		848.09	(729.58)
(3) Earlier Period Tax		-	-
<b>Total Tax Expenses</b>		<b>848.09</b>	<b>(729.58)</b>
<b>Net Profit/(Loss) for the period from continuing operations</b>		<b>2,141.47</b>	<b>(2,340.84)</b>
<b>Profit/(Loss) for the period from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Tax expense:</b>			
(i) Current tax		-	-
(ii) Deferred tax		-	-
<b>Net Profit/(Loss) for the period from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Net Profit/(Loss) for the period.</b>		<b>2,141.47</b>	<b>(2,340.84)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		(37.49)	2.14
<b>Total Other Comprehensive Income</b>		<b>(37.49)</b>	<b>2.14</b>
<b>Total Comprehensive Income for the period</b>		<b>2,103.98</b>	<b>(2,338.70)</b>
Earnings per equity share			
(1) Basic		4.32	(4.72)
(2) Diluted		4.32	(4.72)

### Material Accounting Policy Information & Notes to the accounts 1 - 48

As per our Report of even date attached

For Rakesh Kumar &amp; Associates

Chartered Accountants

F.R.N. 002150C

For and on behalf of the Board of Directors

Puneet Gupta

Partner

M.No. 413168

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

Rajesh Sisodia

Chief Financial officer

Place: Indore

Date:- 3<sup>rd</sup> May, 2024

Purnima Mehta

Executive Director

DIN 00023632

Tanuj Sethi

Company Secretary

M.No. A69680

## Statement of Cash Flow as on 31.03.2024

(₹ in Lakhs)

Particulars	Year Ended 31.03.2024		Year Ended 31.03.2023	
	Amount	Amount	Amount	Amount
<b>Cash Flow From Operating Activities</b>				
Net Profit before Tax		2,989.56		(3,070.42)
Adjustments for :				
Depreciation	1,199.45		913.35	
(Profit)/ Loss on Sale of Property, Plant & Equipment	-		(192.38)	
Financial Income	(285.44)		(110.60)	
OCI Income	(37.49)		2.14	
Financial Expense	2,096.26	2,972.78	1,735.49	2,348.00
<b>Cash Operating Profit before working capital changes</b>		<b>5,962.34</b>		<b>(722.42)</b>
(Increase) / Decrease in Inventories	369.66		4,712.71	
(Increase) / Decrease in Trade Receivables	(1,331.04)		(2,100.76)	
(Increase) / Decrease in Deposit given	-		69.72	
(Increase) / Decrease in Other Current Assets	398.67		(552.27)	
(Increase) / Decrease in Loan Given	-		-	
(Increase) / Decrease in other Financial assets	(128.05)		16.37	
(Increase) / Decrease in Other Non Current Assets	-		-	
Increase / (Decrease) in Trade Payables	416.96		197.48	
Increase / (Decrease) in Other Financial Liabilities	1.94		1.79	
Increase / (Decrease) in Other Current Liabilities	(174.60)		1,112.86	
Increase / (Decrease) in Provisions	77.65		47.42	
Increase / (Decrease) in Other Tax Liabilities	-		-	
		<b>(368.82)</b>		<b>3,505.32</b>
Tax Paid		166.06		(99.95)
<b>Net Cash From Operating Activities (A)</b>		<b>5,759.58</b>		<b>2,682.95</b>
<b>Cash Flow From Investing Activities</b>				
Financial Income	285.44		110.60	
Sale Proceed Of Fixed Assets (Net)	-		192.38	
Purchase of Property, Plant & Equipment Including CWIP Net of Govt. Grant.	(4,012.47)		(2,999.02)	
Purchase of Intangible assets Including WIP	0.80		4.43	
Advance received against asset held for sale (Net of Asset)	-		(150.21)	
Investment in Fixed Deposits against margin money	(727.49)		67.79	
(Increase) / Decrease in Non Current Investment	(136.00)		(283.81)	
<b>Net Cash Used In Investing Activities (B)</b>		<b>(4,589.72)</b>		<b>(3,057.84)</b>
<b>Cash Flow From Financing Activities</b>				
Proceeds from Long Term Borrowings	2,452.50		1,364.34	
Repayment of Long Term Borrowings	-		-	
Net Increase / (Decrease) in Long Term Borrowings	2,452.50			
Increase / (Decrease) in Other Non Current Liability	(10.09)		90.98	
Increase / (Decrease) in Short Term Borrowings	(1,517.12)		755.64	
Dividend Paid on Equity Shares	-		(99.21)	
Financial Expenses	(2,096.26)		(1,735.49)	
<b>Net Cash Used In Financing Activities (C)</b>		<b>(1,170.97)</b>		<b>376.26</b>
<b>Net Decrease In Cash and Cash Equivalents (A + B + C)</b>		<b>(1.11)</b>		<b>1.37</b>
<b>ADD :Cash and cash equivalents - Opening - 1<sup>st</sup> April</b>		<b>2.10</b>		<b>0.73</b>
<b>Cash and cash equivalents - Closing - 31<sup>st</sup> Mar'2023</b>		<b>0.99</b>		<b>2.10</b>

## Statement of Cash Flow as on 31.03.2024

### Footnote to Cash Flow Statement:

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

Particulars	2023-24	2022-2023
<b>Cash &amp; Cash Equivalents</b>		
Balances with Banks		
Current Account	0.10	1.01
FDRs	-	-
Cash on hand	0.89	1.09
<b>Total of Cash &amp; Cash Equivalent</b>	<b>0.99</b>	<b>2.10</b>

#### Material Accounting Policy Information & Notes to the accounts 1 - 48

As per our Report of even date attached

**For Rakesh Kumar & Associates**

Chartered Accountants

F.R.N. 002150C

**For and on behalf of the Board of Directors**

**Puneet Gupta**

Partner

M.No. 413168

**Shiv Singh Mehta**

Chairman and Managing Director

DIN 00023523

**Rajesh Sisodia**

Chief Financial officer

Place: Indore

Date:- 3<sup>rd</sup> May, 2024

**Purnima Mehta**

Executive Director

DIN 00023632

**Tanuj Sethi**

Company Secretary

M.No. A69680

# Statement of Change in Equity for the Year ended 31<sup>st</sup> March, 2024

## A. Equity Share capital

### (1) Current Reporting period

(₹ In Lakhs)

Equity Share Capital	Balances as at 1 <sup>st</sup> April, 2023	Changes in equity share capital during the year due to prior period item	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March, 2024
Paid up Capital	496.04	-	-	-	496.04

### (2) Previous Reporting period

(₹ In Lakhs)

Equity Share Capital	Balances as at 1 <sup>st</sup> April, 2022	Changes in equity share capital during the year due to prior period item	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March, 2023
Paid up Capital	496.04	-	-	-	496.04

## B. Other Equity

### (1) Current Reporting period

(₹ In Lakhs)

Equity Share Capital	Reserves and Surplus					Total
	Capital Reserve	Securities Premium	General Reserve	Share Forfeiture Account	Retained Earnings	
Balance as at 1 <sup>st</sup> April 2023	-	466.14	3,825.00	2.73	8,147.72	12,441.59
Total Comprehensive income for 2023-24	-	-	-	-	2,141.47	2,141.47
Actuarial Gain/Loss on Defined Benefit Plan recognised in Other Comprehensive Income	-	-	-	-	(37.49)	(37.49)
Dividends	-	-	-	-	-	-
Transfer of retained earning	-	-	150.00	-	(150.00)	-
Short IT Provision	-	-	-	-	-	-
Balance as at 31 <sup>st</sup> March 2024	-	466.14	3,975.00	2.73	10,101.70	14,545.57

### (2) Previous Reporting period

(₹ In Lakhs)

Equity Share Capital	Reserves and Surplus					Total
	Capital Reserve	Securities Premium	General Reserve	Share Forfeiture Account	Retained Earnings	
Balance as at 1 <sup>st</sup> April 2022	-	466.14	3,825.00	2.73	10,585.62	14,879.49
Total Comprehensive income for 2023-24	-	-	-	-	(2,340.84)	(2,340.84)
Actuarial Gain/Loss on Defined Benefit Plan recognised in Other Comprehensive Income	-	-	-	-	2.14	2.14
Dividends	-	-	-	-	(99.21)	(99.21)
Transfer of retained earning	-	-	-	-	-	-
Short IT Provision	-	-	-	-	-	-
Balance as at 31 <sup>st</sup> March 2023	-	466.14	3,825.00	2.73	8,147.72	12,441.59

### 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.

### 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.

### Retained Earnings

The Balance in the Retained Earnings represents the accumulated profit after payment of dividend, transfer to General reserve and adjustment of Actuarial gains/(losses) on Defined benefit Plans.

# Notes - 1 Material Accounting Policy Information and Notes to the Accounts 31.03.2024

## 1 CORPORATE INFORMATION

Kriti Industries (India) Ltd., a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 12.03.1990 and having its Registered office in Indore (MP). The company's shares are listed in the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). KIL manufactures premium quality piping products and solution, accessories, gas pipe, telecom ducts, submersible pipes and casing pipes.

## 2. STATEMENT OF COMPLIANCE OF INDIAN ACCOUNTING STANDARDS (IND AS)

These financial statements are separate financial statements of the Company (also called standalone financial statements). The Company has prepared and presented the financial statements for the year ended March 31, 2024, together with the comparative period information as at and for the year ended March 31, 2023, in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

### 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.

The company has consistently applied the accounting policies to all periods presented in these financial statements.

Historical cost measures provide monetary information about assets, liabilities and related income and expenses, using information derived, at least in part, from the price of the transaction or other event that gave rise to them. Unlike current value, historical cost does not reflect changes in values, except to the extent that those changes relate to impairment of an asset or a liability becoming onerous.

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

### 2.2. Summary of Material Accounting Policy Information

#### 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.
- c) In the carrying amount of an item of PPE, 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.



## Notes - 1 Material Accounting Policy Information and Notes to the Accounts 31.03.2024

- d) Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work-in-Progress.
- e) Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Each part of an item of Property, Plant & Equipment with a cost that is in relation to total cost of the Machine is depreciated separately, if its useful life is different than the life of the Machine.
- f) The depreciation for each year is recognised in the Statement of Profit & Loss unless it is included in the carrying amount of another asset.
- g) Based on the technical evaluation, the management believes that the useful life of Dies and Moulds is 6 years.
- h) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- i) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset
- j) Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.
- k) Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

### 2.2.2. Leases.

- a) The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.
- b) The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.
- c) For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.
- d) Lessors will continue to classify all leases under same classification principles and distinguish them between two types of leases i.e. Finance Lease and Operating Lease.

### 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.

## Notes - 1 Material Accounting Policy Information and Notes to the Accounts 31.03.2024

- b) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.
- c) Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use.
- d) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.
- e) The amortisation period and the amortisation method for intangible asset with a finite useful life are reviewed at each financial year end. If the expected useful of such asset is different from the previous estimates, the changes are accounted for as change in an accounting estimate.
- f) Intangible assets which are finite are amortized on a straight-line basis over their estimated useful lives. The residual value of such intangible assets is assumed to be zero. An intangible asset with an indefinite useful life is tested for impairment by comparing its recoverable amount with its carrying amount (a) annually and (b) whenever there is an indication that the intangible asset may be impaired.

### 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. Finance Cost

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

### 2.2.6. Inventories

- a) Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads, net of recoverable taxes incurred in bringing them to their respective present location and condition.

## Notes - 1 Material Accounting Policy Information and Notes to the Accounts 31.03.2024

- 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.

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

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

### 2.2.8. Employee Benefits Expense

#### Short Term Employee Benefits

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

#### Post-Employment Benefits

##### Defined Contribution Plans

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

##### Defined Benefit Plans

- c. The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- d. The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.
- e. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees.
- f. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.
- g. Re-measurement of defined benefit plans in respect of post- employment are charged to the Other Comprehensive Income.

## Notes - 1 Material Accounting Policy Information and Notes to the Accounts 31.03.2024

### 2.2.9. Income Taxes

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

#### Current tax

- 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.
- c. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### - Deferred tax

- d. 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.
- e. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.
- f. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

### 2.2.10. 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".

### 2.2.11. Revenue recognition

#### i. Sale of Goods

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

## Notes - 1 Material Accounting Policy Information and Notes to the Accounts 31.03.2024

### ii. Interest income

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

### iii. Dividends

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

### iv. Insurance Claims

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

### v. Government Grants

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

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the government grant related to asset is presented by deducting the grant in arriving at the carrying amount of the asset. (See note 43).

### vi. Other Operating Income

Export incentives receivable are accounted for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

### vii. Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (o) Financial instruments – initial recognition and subsequent measurement.

### viii. Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognised as an expense in the period in which related revenue is recognised.

## 2.2.12. Financial instruments

### I. Financial Assets

#### a. Initial recognition and measurement

All financial assets (other than Trade Receivables) 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 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.

## Notes - 1 Material Accounting Policy Information and Notes to the Accounts 31.03.2024

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

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

### c. *Investment in subsidiaries, Associates and Joint Ventures*

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

### d. *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'.

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

## II. Financial liabilities

### a. *Initial recognition and measurement*

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

### b. *Subsequent measurement*

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

## III. Derivative financial instruments and Hedge Accounting

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps, forwards & options and commodity contracts to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

## IV. Hedge Accounting

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

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### (a) *Cash flow hedge*

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

### (b) *Fair Value Hedge*

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

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

## V. **Derecognition of financial instruments**

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

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

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

### 2.2.13 **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;

## Notes - 1 Material Accounting Policy Information and Notes to the Accounts 31.03.2024

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

All other assets are classified as non-current.

b. A liability is current when:

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

All other liabilities are classified as non-current.

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

The company has identified twelve months as its operating cycle.

### 2.2.14. 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.

### 2.2.15. 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.

### 2.2.16. Statement of Cash Flows

a. **Cash and Cash equivalents**

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

- b. Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the Indian Accounting Standard -7 'Statement of Cash Flow'.

## 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. The Management has considered the possible effect of Global Pandemic COVID-19 while preparing the financial statements.

### 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



## Notes - 1 Material Accounting Policy Information and Notes to the Accounts 31.03.2024

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

Judgments 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 Recent pronouncements:

Ministry of Corporate Affairs (MCA) notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide Notification dated 23 March 2022. Following amendments and annual improvements to Ind AS are applicable from 1 April 2022.

#### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements

## Notes - 1 Material Accounting Policy Information and Notes to the Accounts 31.03.2024

### **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements

### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any impact in its financial statements.

### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements

### **Ind AS 106 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

### NOTE NO. 3-4-5 Property, Plant, Equipment and Ingengible Assets (2023-24)

(₹ In Lakhs)

Note	Particular	Gross Block		Depreciation		Net Block					
		01.04.2023	Addition	Deduction	Total	01.04.2023	For the Year	Written back	Total	31.03.2024	31.03.2023
<b>3</b>	<b>Tangible Assets</b>										
3.1	Land	-	-	-	-	-	-	-	-	-	-
3.1.1	Free hold Land	318.36	-	-	318.36	-	-	-	-	318.36	318.36
3.1.2	Lease hold Land	36.66	-	-	36.66	3.40	0.49	-	3.89	32.77	33.26
3.2	Buildings	2,966.93	1,041.13	-	4,008.06	608.71	212.63	-	821.34	3,186.72	2,358.21
3.3	Plant & Machinery	13,131.81	3,315.58	-	16,447.39	3,792.38	933.10	-	4,725.48	11,721.91	9,339.42
3.4	Furniture	58.85	1.23	-	60.08	30.75	5.03	-	35.78	24.30	28.12
3.5	Vehicles	24.35	-	-	24.35	24.34	0.01	-	24.35	-	-
3.6	Office Equipment	203.18	18.94	-	222.12	133.93	13.58	-	147.51	74.61	69.25
3.7	Right-of-Use Asset:										
3.7.1	Office Building	324.72	-	-	324.72	121.77	32.47	-	154.24	170.48	202.97
	<b>Total (3)</b>	<b>17,064.86</b>	<b>4,376.88</b>	<b>-</b>	<b>21,441.74</b>	<b>4,715.28</b>	<b>1,197.31</b>	<b>-</b>	<b>5,912.59</b>	<b>15,529.15</b>	<b>12,349.59</b>
	Previous Year	14,387.60	2,925.84	248.57	17,064.86	3,806.36	908.92	-	4,715.28	12,349.59	10,581.25
<b>4</b>	<b>Intangible Assets</b>										
4.1	Other Computer Software	55.07	1.34	-	56.41	50.52	2.14	-	52.66	3.75	4.54
	<b>Total (4)</b>	<b>55.07</b>	<b>1.34</b>	<b>-</b>	<b>56.41</b>	<b>50.52</b>	<b>2.14</b>	<b>-</b>	<b>52.66</b>	<b>3.75</b>	<b>4.54</b>
	Previous Year	55.07	-	-	55.07	46.09	4.43	-	50.52	4.54	8.98
	<b>Grand Total (3+4)</b>	<b>17,119.93</b>	<b>4,378.22</b>	<b>-</b>	<b>21,498.15</b>	<b>4,765.80</b>	<b>1,199.45</b>	<b>-</b>	<b>5,965.25</b>	<b>15,532.90</b>	<b>12,354.13</b>
	Previous Year	14,442.67	2,925.84	248.57	17,119.93	3,852.45	913.35	-	4,765.80	12,354.13	10,590.23

### CWIP Ageing

As at 31 March 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,155.12	167.09	-	-	1,322.21
Projects temporarily suspended	-	-	-	-	-

### CWIP Ageing

As at 31 March 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	624.80	1,022.38	41.57	-	1,688.75
Projects temporarily suspended	-	-	-	-	-

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

### NOTE-6 INVESTMENT

(₹ in Lakhs)

Particular	31.03.2024	31.03.2023
<b>6.1 Investment in Trust Securities</b>		
6.1.1 National Saving Certificate	0.14	0.14
<b>6.2 Unquoted</b>		
<b>Non Trade Investment in equity instruments</b>		
6.2.1 Sakhari Audhyogik Vasahat Limited	0.01	0.01
(1 Share of ₹500/-)		
6.2.2 The Cosmos Co-operative Bank Ltd.		
(1000 Equity Shares of ₹100/- each)	1.00	1.00
<b>Trade Investment in equity instruments</b>		
6.2.3 Kriti Auto Engineering & Plastic Private Limited (100% Subsidiary)	777.00	777.00
(3885000 Shares of ₹10/-each)		
<b>Trade Investment in equity instruments</b>		
6.2.4 FP Elite Energy Private Limited	78.81	78.81
(788141 share @ RS 10 each of FP Elite energy Pvt Ltd- 34.78% Stake)		
(Previous Year - 788141 share @ RS 10 each)		
<b>Investment in Mutual Fund</b>		
6.2.5 SBI Short Term debt Fund	341.00	205.00
(1241954.637 Units of ₹27.456 each) (Previous Year - 757493.092 Units of ₹27.06 each)		
Nav as on 31/3/2024 ₹36084992 (Previous Year - 20550788)		
<b>Total</b>	<b>1,197.96</b>	<b>1,061.96</b>

### NOTE-7 OTHER FINANCIAL ASSETS

(₹ In Lakhs)

Particular	31.03.2024	31.03.2023
7.1 Security deposit	319.46	191.41
<b>Total</b>	<b>319.46</b>	<b>191.41</b>

### NOTE-8 INVENTORIES

(₹ In Lakhs)

Particular	31.03.2024	31.03.2023
8.1 Raw Material	5,669.21	5,577.90
8.2 Finished Goods	9,169.18	9,684.28
8.3 Stores and Spares & others	735.65	681.53
<b>Total</b>	<b>15,574.04</b>	<b>15,943.71</b>

### NOTE-9 TRADE RECEIVABLES

(₹ In Lakhs)

Particular	31.03.2024	31.03.2023
<b>9.1 Trade Receivables</b>		
Unsecured considered good	6,674.38	5,343.34
<b>Total</b>	<b>6,674.38</b>	<b>5,343.34</b>
<b>Trade receivables</b>		
Secured, considered good - -	-	-
Unsecured, considered good	6,674.38	5,343.34
Trade Receivables which have significant increase in Credit Risk	-	-
Less: Impairment for trade receivable		
Trade Receivables - credit impaired		
<b>Current trade receivables</b>	<b>6,674.38</b>	<b>5,343.34</b>

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

(₹ In Lakhs)

Particular	Outstanding for the following periods from due date of payment as on 31.03.2024						Total
	Not Due	Less Than 6 month	6 month-1 years	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables-considered good	5,454.68	143.10	189.99	129.65	5.68	608.54	6,531.64
ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables-considered good	-	-	-	-	-	142.74	142.74
v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-

(₹ In Lakhs)

Particular	Outstanding for the following periods from due date of payment as on 31.03.2023						Total
	Not Due	Less Than 6 month	6 month-1 years	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables-considered good	3,110.38	1,098.51	86.53	69.25	193.19	628.40	5,186.26
ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables-considered good	-	-	-	-	-	157.08	157.08
v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

### NOTE-10 CASH AND CASH EQUIVALENTS

Particulars	31.03.2024	31.03.2023
10.1 Balances with Banks	0.10	1.01
10.2 Cash on hand	0.89	1.09
<b>Total</b>	<b>0.99</b>	<b>2.10</b>

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

### NOTE-11 OTHER BANK BALANCES

Particulars	31.03.2024	31.03.2023
11.1 Unpaid dividend	11.70	15.13
11.2 Unpaid CSR	61.90	22.93
11.3 Fixed deposit with banks against margin money (Maturity less than 12 months)	1,933.72	1,241.78
<b>Total</b>	<b>2,007.32</b>	<b>1,279.84</b>

### NOTE NO -12 INCOME TAX ASSET

Particulars	31.03.2024	31.03.2023
12.1 Advance Tax & TDS (Net)	39.70	205.76
<b>Total</b>	<b>39.70</b>	<b>205.76</b>

### NOTE-13 OTHER CURRENT ASSETS

Particulars	31.03.2024	31.03.2023
<b>13.1 Sundry Deposits</b>	51.42	51.42
13.2 Other Current Assets (GST,Excise etc.)	831.51	1,413.51
<b>13.3 Accrued Interest/ Income</b>	1,351.28	1,391.94
13.4 Advance to Vendor/creditors (Vendor Debit Balances)	524.51	778.59
13.5 Advances recoverable in cash or kind or for value to be recieved	632.80	154.72
<b>Total</b>	<b>3,391.52</b>	<b>3,790.18</b>

### NOTE NO -14 SHARE CAPITAL

Particulars	31.03.2024	31.03.2023
<b>14.1 AUTHORIZED</b>		
14.1.1 80000000 Equity Shares of Re. 1/- each	800.00	800.00
14.1.2 2000000 Optional convertible Preference Shares of ₹10/- each	200.00	200.00
<b>14.2 ISSUED, SUBSCRIBED AND PAID UP</b>		
14.2.1 49603520 equity shares of ₹1/- each fully paid up. which are issued as fully paid up		
Shares on 27.01.2010 on account of scheme of arrangement as approved by The		
Hon'ble High Court of M.P. Indore Bench		
<b>14.2.2 Reconciliation of shares</b>		
<b>14.2.2.1 Opening Balance of 49603520 shares of ₹1/- each Total</b>	496.04	496.04
<b>14.2.2.2 Issued during the year</b>	-	-
<b>14.2.2.3 Closing Balance 49603520 shares of ₹1/- each</b>	496.04	496.04
The company has issued only one class of shares referred to as equity shares having a par value of ₹1 each. Holder of the equity share as referred in the records of the company as of date of the shareholder's meeting is referred to one vote in respect of each share held for all matters submitted to vote in the shareholder's meeting. The company declares and pays dividends in Indian rupees. In the event of liquidation of the company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts.		
	<b>496.04</b>	<b>496.04</b>

# Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

## NOTE NO -14 EQUITY SHARE CAPITAL (Contd.)

Particulars	31.03.2024	31.03.2023
<b>14.3 SHAREHOLDER HOLDING MORE THAN 5 % OF SHARES OF THE COMPANY AND ITS PERCENTAGE</b>		
<b>14.3.1 SAKAM TRADING PRIVATE LIMITED</b>		
No. of Shares	3,04,75,702	2,58,43,673
% of Shares	61.44%	52.10%
<b>14.3.2 CHETAK BUILDERS PRIVATE LIMITED</b>		
No. of Shares	-	46,32,029
% of Shares	-	9.34%

## 14.4 Promoter's Share holding

Name of promoter	As at 31 March 2024			As at 31 March 2023		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
1) SHIV SINGH MEHTA	20,67,299	4.17	0.00	20,67,299	4.17	0.00
2) PURNIMA MEHTA	2,97,587	0.60	0.00	2,97,587	0.60	0.00
3) DEVKI MEHTA	38,736	0.08	0.00	38,736	0.08	0.01
4) SAURABH MEHTA	30,423	0.06	0.00	30,423	0.06	0.00
5) SAKAM TRADING PRIVATE LIMITED	3,04,75,702	61.44	9.34	2,58,43,673	52.10	0.00
6) CHETAK BUILDERS PRIVATE LIMITED	-	0.00	-9.34	46,32,029	9.34	0.00
<b>Total</b>	<b>3,29,09,747</b>	<b>66.35</b>	<b>0.00</b>	<b>3,29,09,747</b>	<b>66.35</b>	<b>0.01</b>

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.27.02.12 of Kriti Industries (I) Ltd.

## NOTE NO -15 RESERVES & SURPLUS

Particulars	31.03.2024	31.03.2023
<b>15.1 RESERVES</b>		
<b>15.1.1 General Reserve</b>		
15.1.1 Opening Balance	3,825.00	3,825.00
15.1.2 Add: Transfer from P&L	150.00	-
<b>15.1.3 Closing Balance</b>	<b>3,975.00</b>	<b>3,825.00</b>
<b>15.2 SHARE PREMIUM ACCOUNT</b>		
15.2.1 Opening Balance	466.14	466.14
15.2.2 Add: Transfer from P&L	-	-
<b>15.2.3 Closing Balance</b>	<b>466.14</b>	<b>466.14</b>
<b>15.3 SHARE FOREFEITURE ACCOUNT</b>		
15.3.1 Opening Balance	2.73	2.73
15.3.2 Add: Transfer from P&L	-	-
<b>15.3.3 Closing Balance</b>	<b>2.73</b>	<b>2.73</b>
<b>15.4 SURPLUS</b>		
<b>Statement of Profit &amp; Loss</b>		
15.4.1 Opening Balance	8,137.43	10,577.48
15.4.2 Add Profit & Loss during the period	2,141.47	(2,340.84)
	<b>10,278.90</b>	<b>8,236.64</b>
<b>Less:</b>		

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

### NOTE NO -15 RESERVES & SURPLUS (Contd.)

Particulars	31.03.2024	31.03.2023
15.4.3 Final Dividend Nil (Previous Year @ ₹0.20 per share)	-	99.21
15.4.4 Transferred to General Reserve	150.00	-
<b>Balance in Surplus</b>	<b>10,128.90</b>	<b>8,137.43</b>
<b>15.5 OTHER COMPREHENSIVE INCOME (OCI)</b>		
15.5.1 Opening Balance	10.29	8.15
15.5.2 Movement in OCI during the year	(37.49)	2.14
<b>15.5.3 Closing Balance</b>	<b>(27.20)</b>	<b>10.29</b>
<b>Total</b>	<b>14,545.57</b>	<b>12,441.59</b>

### NOTE NO -16 FINANCIAL LIABILITIES

Particulars	31.03.2024	31.03.2023
<b>16.1 TERM LOAN</b>		
(Installment due within 12 months shown in Current Liabilities)		
<b>16.1.1 SECURED</b>		
<b>16.1.1.1 From Banks</b>		
Term of Repayment of Long Term Borrowings		
HDFC BANK	-	91.67
HDFC BANK GECL	-	153.33
TATA CAPITAL	650.00	1,200.00
TATA CAPITAL	633.34	-
INDUSIND BANK TERM LOAN	1,200.00	-
STATE BANK OF INDIA GECL	-	79.83
<b>Total</b>	<b>2,483.34</b>	<b>1,524.83</b>
(Above loans are secured by First charge/ Mortgage on fixed assets of the company and personal guarantee of Managing Director)		
<b>16.1.2 UNSECURED</b>		
<b>16.1.2.1 Loans &amp; Advances from Related parties</b>	3,294.00	1,800.00
(Long Term Deposit received from Kriti Nutrients Limited & Kriti Auto Engineering Private Limited)		
<b>Total</b>	<b>5,777.34</b>	<b>3,324.83</b>
<b>16 i) Lease Liabilities</b>		
The company has entered into lease contract for its office building and as per IND AS 116, the right of use Assets have been created and lease liability for the same has been accounted for.		
<b>Reconciliation of Lease Liabilities</b>		
Opening Balance as on 1 <sup>st</sup> April	266.77	287.60
Addition during the Year	-	-
Deletion during the Year	-	-
Accredition of Interest	-	-
Lease Liabilities paid during the Year	25.57	20.83
Balance as on 31 <sup>st</sup> March	241.20	266.77
Out of the Above	-	-
Current Liability	30.94	25.57



## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

### NOTE NO -16 FINANCIAL LIABILITIES (Contd.)

Particulars	31.03.2024	31.03.2023
Non Current Liability	210.26	241.20
Amount recognized in Statement of Profit & Loss		
Depreciation on right of use assets	32.47	32.47
Interest Expenses on lease liabilities	28.01	30.20

### NOTE NO-17 DEFERRED TAX LIABILITY NET

Particulars	31.03.2024	31.03.2023
17.1 Deferred Tax Liability (Net)		
On account of tax effects on timing difference arising due to difference in Depreciation	1,134.91	286.82
<b>Total</b>	<b>1,134.91</b>	<b>286.82</b>

### NOTE NO -18 OTHER NON CURRENT LIABILITIES

Particulars	31.03.2024	31.03.2023
<b>18.1 Other Loans and advances</b>	450.92	430.08
(Security Deposit received from dealers)		
<b>Total</b>	<b>450.92</b>	<b>430.08</b>

### NOTE NO -19 SHORT TERM BORROWINGS

Particulars	31.03.2024	31.03.2023
<b>19. 1 Loans repayable on Demand</b>		
<b>19.1.1 SECURED</b>		
From banks	5,168.27	5,378.39
(Secured by hypothecation of finished goods, Raw material, Stock in process, store and spares, sundry debtors, export bills, receivables and second charge on fixed assets of the company and personal gurantee of Managing director)		
19.1 Current maturities of Long term debt	1,361.66	926.67
<b>19.1.2 UNSECURED</b>		
19.1.2.1 From banks	-	-
19.1.2.2 From others	-	-
19.1.2.3 Loans & Advances from Related parties	1,147.50	2,889.50
<b>Total</b>	<b>7,677.43</b>	<b>9,194.56</b>

### NOTE NO - 20 TRADE PAYABLES

Particulars	31.03.2024	31.03.2023
<b>20.1 Trade Payables</b>		
(a) Total outstanding dues of micro enterprises and small enterprises	236.64	359.62
(b) Total outstanding dues of creditors other than micro and small enterprises	13,101.41	12,561.47
<b>Total</b>	<b>13,338.05</b>	<b>12,921.09</b>

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

Particular	Outstanding for the following periods from due date of payment as on 31.03.2024					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	207.10	29.54	-	-	-	236.64
(ii) Others	11,771.44	1,294.50	1.51	6.27	27.69	13,101.41
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iii) Disputed Dues - Others	-	-	-	-	-	-

Particular	Outstanding for the following periods from due date of payment as on 31.03.2023					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	359.62	-	-	-	-	359.62
(ii) Others	10,246.33	2,282.64	4.30	0.64	27.56	12,561.47
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iii) Disputed Dues - Others	-	-	-	-	-	-

### NOTE NO -21 OTHERS

Particulars	31.03.2024	31.03.2023
20.1 Unpaid dividends	11.70	15.12
<b>Total</b>	<b>11.70</b>	<b>15.12</b>

### NOTE NO -22 OTHER CURRENT LIABILITIES

Particulars	31.03.2024	31.03.2023
22.1 Other Current Liabilities (Outstanding Expenses, Advance from Customer etc.)	1,644.07	1,854.78
22.2 Statutory Liabilities	128.89	99.29
22.3 Employee Payable	282.89	276.38
<b>Total</b>	<b>2,055.85</b>	<b>2,230.45</b>

### NOTE NO -23 PROVISIONS

Particulars	31.03.2024	31.03.2023
23.1 Provision for Employees Benefits	156.24	137.46
23.2 Provision for Doubtful debts	61.50	61.13
	217.74	198.59
23.3 Provision for Employees Benefits (Long Term)	113.73	55.24
<b>Total</b>	<b>331.47</b>	<b>253.83</b>

### NOTE-24 REVENUE FROM OPERATIONS

Particulars	31.03.2024	31.03.2023
24.1 Sale of Products	86,594.01	73,207.21
24.2 Other operating revenues (Penalty , Secondary Transportation etc.)	68.60	40.18
<b>Total</b>	<b>86,662.61</b>	<b>73,247.39</b>

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

### NOTE-25 OTHER INCOME

Particulars	31.03.2024	31.03.2023
25.1 Interest Income	285.44	110.60
25.2 Net Gain on foreign currency transactions	47.24	4.35
25.3 Profit on Sale of Fixed asset	-	192.38
25.4 Other Non-operating Income (Incentive, Discounts etc.)	4.91	45.74
<b>Total</b>	<b>337.59</b>	<b>353.07</b>

### NOTE-26 EMPLOYEE BENEFITS EXPENSES

Particulars	31.03.2024	31.03.2023
26.1 Salaries & Wages	2,998.86	2,453.31
26.2 Contribution to provident and other fund	161.09	145.56
26.3 Staff Welfare Expenses	234.53	199.55
26.4 Director Remuneration	120.00	120.00
26.5 P.F on Director Remuneration	12.96	12.96
<b>Total</b>	<b>3,527.44</b>	<b>2,931.38</b>

### NOTE-27 FINANCIAL COST

Particulars	31.03.2024	31.03.2023
27.1 Interest Expenses	1,457.04	1,410.83
27.2 Other Borrowing Cost (LC/BG Charges, Bank Commission etc.)	639.22	324.66
<b>Total</b>	<b>2,096.26</b>	<b>1,735.49</b>

### NOTE-28 OTHER EXPENSES

(₹ In Lakhs)

Particulars	31.03.2024	31.03.2023
<b>(I)</b>		
28.1 Stores and Spares Consumed	405.91	351.85
28.2 Power Charges	2,811.54	2,163.53
28.3 Freight & Cartage	1,226.89	890.84
28.4 Repairs & Maintenance	242.97	172.24
28.5 Insurance Charges	125.57	90.80
28.6 Water Charges	66.79	44.72
28.7 Job Work Charges	196.54	156.62
28.8 Miscellaneous Manufacturing Expenses (Testing Charges, Security Charges etc.)	162.60	133.79
<b>Sub Total (I)</b>	<b>5,238.81</b>	<b>4,004.39</b>
<b>(II)</b>		
28.9 Stationery & Printing	10.64	8.74
28.10 Computer Expense	52.98	33.79
28.11 Rent, Rates and Taxes	38.04	38.87
28.12 Postage, Telegram and Telephones	26.69	18.39
28.13 Auditor's Fees	4.75	4.75
28.14 Conveyance Expenses	45.89	55.09
28.15 Legal & Professional Charges	406.24	340.94

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

### NOTE-28 OTHER EXPENSES (Contd.)

(₹ In Lakhs)

Particulars	31.03.2024	31.03.2023
28.16 Miscellaneous Expenses (House Keeping, Repair & Maintenance- Other etc.)	65.04	57.81
28.17 Director's Meeting Fee	4.72	4.92
28.18 Net loss on foreign currency transactions	-	-
28.19 Corporate Social Responsibility	26.12	63.07
<b>Sub Total (II)</b>	<b>681.11</b>	<b>626.37</b>
<b>(III)</b>		
28.20 Advertisement & Publicity	4.01	3.09
28.21 Sales Promotion Expenses	498.97	333.00
28.22 Market Development Expenses	68.85	31.45
28.23 Brokerage & Commission	19.03	20.82
28.24 Service Charges	-	4.98
28.25 Freight Outward	1,071.82	700.08
28.26 Statutory Levies	1.72	0.87
28.27 Travelling Expenses	684.33	503.59
28.28 Expected credit Loss	0.37	-
<b>Sub Total (III)</b>	<b>2,349.10</b>	<b>1,597.88</b>
<b>TOTAL (I+II+III)</b>	<b>8,269.02</b>	<b>6,228.64</b>

29. 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.

### 30. CONTINGENT LIABILITIES

- Estimated amount of contracts remaining to be executed on Capital Account ₹593.13 Lakhs net of advance given (Previous Year ₹163.00 Lakhs).
- Bank has given guarantee on behalf of the Company to various parties to the extent of ₹1204.16 Lakhs (Previous Year ₹1226.24 Lakhs.)
- Claims Against company not acknowledge as debt by the company are as under:

(₹ In Lakhs)

S. No.	Particulars	Amount of Demand as on 31.03.2024	Amount Deposited / Relief against demand till 31.03.2024	Amount of Demand as on 31.03.2023	Amount Deposited against demand till 31.03.2023
1	Demand for Excise duty Act various years pending appeals at various levels	150.42	11.84	150.42	11.84
2	Demand for Entry Tax Act various years pending appeals at various levels	129.73	116.18	129.73	116.18
3	Demand for Central Sales Tax Act various years pending appeals at various levels	114.38	17.39	114.38	17.39
4	Demand for Income Tax Act various years pending appeals at various levels	0.94	0.00	0.94	0.00

# Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

## 31. REMUNERATION PAID/PAYABLE TO MANAGING DIRECTOR / EXECUTIVE DIRECTOR

(₹ In Lakhs)

Paid / Payable	Current Year	Previous year
Remuneration	132.96	132.96
Commission	0.00	0.00
<b>TOTAL</b>	<b>132.96</b>	<b>132.96</b>

**32.** Unpaid overdue amount due on March 31, 2024 to Micro Small and Medium Enterprises and/or ancillary industrial suppliers on account of principal together with interest aggregate to ₹ Nil.

This disclosure is on the basis of the information available with the company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2023 is given below. This information has been determined to the extend such parties have been identified on the basis of information available with the company.

Particulars	As at March 31, 2024	As at March 31, 2023
a) The principal amount remaining unpaid to any supplier at the end of the year	236.64	359.62
b) Interest due remaining unpaid to any supplier at the end of the year	0	0
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	0	0
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	0	0
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	0	0
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	0	0

**34.** The amount of Foreign Exchange gain/ (loss) included in the profit & loss account is ₹47.24 Lakhs (Previous Year gain/ (loss) ₹4.35 Lakhs).

## 34. CORPORATE SOCIAL RESPONSIBILITY (AS PER AMENDMENT)

(Amount in Lakhs)

(i)	Amount required to be spent by the company during the year	26.12	63.07
(ii)	Amount spent during the year	0.50	5.30
(iii)	Shortfall at the end of the year	25.62	57.77
(iv)	Total of previous years shortfall	61.90	22.93

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

### 34. CORPORATE SOCIAL RESPONSIBILITY (AS PER AMENDMENT) (Contd.)

(v)	Reason for shortfall	The Company endeavored to ensure full utilization of the allocated CSR budget. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the amount on CSR activities in accordance with the statutory requirements. Shortfall is on account of On-going projects.	The Company endeavored to ensure full utilization of the allocated CSR budget. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the amount on CSR activities in accordance with the statutory requirements. Shortfall is on account of On-going projects.
(vi)	Nature of CSR activities	Promoting Education etc., Promoting Health Care and making available safe drinking water.	Promoting Education etc., Promoting Health Care and making available safe drinking water.
(vii)	details of related party transaction	₹12.50 Lakhs spent on account of On-going project (2021-22) through Sakam Charitable Trust	₹13.00 Lakhs spent on account of On-going project (2021-22) through Sakam Charitable Trust
(viii)	Any amount paid under contractual agreement		

### 35. EMPLOYEE BENEFIT OBLIGATIONS

The disclosure required as per Indian Accounting Standard (IndAS) 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 the actuarial valuer.

The Company has schemes (funded) for payment of gratuity to all eligible employees calculated at specified number of days of last drawn salary depending upon the tenure of service for each year of completed service subject to minimum service of five years payable at the time of separation upon superannuation or on exit otherwise. These defined benefit gratuity plans are governed by Payment of Gratuity Act, 1972

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

#### (a) Funded status of the plan

Particulars	31.03.2024	31.03.2023
Present value of unfunded obligations		
Present value of funded obligations	400.96	307.70
Fair value of plan assets	-229.78	-205.57
Net Defined Benefit Liability/(Assets)	171.19	102.13

#### (b) Profit and loss account for the period

Particulars	31.03.2024	31.03.2023
<b>Service cost:</b>		
Current service cost	46.90	40.16
Net interest cost	5.82	2.91
Expected Return on Plan Assets	-	-
Actuarial Gain Loss	-	-
<b>Total included in 'Employee Benefit Expenses/(Income)</b>	<b>52.72</b>	<b>43.07</b>

# Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

## 35. EMPLOYEE BENEFIT OBLIGATIONS (Contd.)

### (c) Other Comprehensive Income for the period

Particulars	31.03.2024	31.03.2023
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	6.97	-11.16
Due to experience adjustments	27.84	7.05
Return on plan assets excluding amounts included in interest income	2.69	1.97
<b>Amounts recognized in Other Comprehensive (Income) / Expense</b>	<b>37.49</b>	<b>-2.14</b>

### (d) Reconciliation of defined benefit obligation

Particulars	31.03.2024	31.03.2023
Opening Defined Benefit Obligation	307.70	266.94
Current service cost	46.90	40.17
Interest cost	21.40	17.39
<b>Components of actuarial gain/losses on obligations:</b>		
Due to financial assumption	6.97	-11.16
Due to experience adjustments	27.84	7.05
Benefit paid from fund	-9.84	-12.69
<b>Closing Defined Benefit Obligation</b>	<b>400.96</b>	<b>307.70</b>

### (e) Reconciliation of plan assets

Particulars	31.03.2024	31.03.2023
Opening value of plan assets	205.57	204.98
Interest Income	15.58	14.48
Return on plan assets excluding amounts included in interest income	-2.69	-1.97
Contributions by Employer	21.15	0.77
Benefits paid	-9.84	-12.69
<b>Closing value of plan assets</b>	<b>229.78</b>	<b>205.57</b>

### (f) Reconciliation of asset Ceiling

Particulars	31.03.2024	31.03.2023
Opening value of asset ceiling	0	0
Interest on opening value of asset ceiling	0	0
Loss/(gain) on assets due to surplus/deficit	0	0
<b>Closing value of plan asset ceiling</b>	<b>0</b>	<b>0</b>

### (g) Composition of the plan assets

Particulars	31.03.2024	31.03.2023
Government of India Securities	0%	0%
State Government Securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Policy of insurance	100%	100%
Bank Balance	0%	0%

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

### 35. EMPLOYEE BENEFIT OBLIGATIONS (Contd.)

#### (g) Composition of the plan assets (Contd.)

Particulars	31.03.2024	31.03.2023
Other Investments	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

#### (h) Reconciliation of Net Defined Benefit Liability/(Assets)

Particulars	31.03.2024	31.03.2023
Net opening provision in books of accounts	102.13	61.96
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per (b)	52.72	43.08
Amounts recognized in Other Comprehensive (Income) / Expense	37.49	-2.14
	<b>192.34</b>	<b>102.9</b>
Benefits paid by the Company	0	0
Contributions to plan assets	-21.15	-0.77
<b>Closing provision in books of accounts</b>	<b>171.19</b>	<b>102.13</b>

#### (i) Principle actuarial assumptions

Particulars	31.03.2024	31.03.2023
Discount Rate	7.20% p.a.	7.40% p.a.
Salary Growth Rate	7.00% p.a.	7.00% p.a.
Withdrawal Rates		
	10.00% p.a at all ages	10.00% p.a at all ages
Rate of Return on Plan Assets	7.20% p.a.	7.40% p.a.

#### (j) Sensitivity to key assumptions

Particulars	31.03.2024	31.03.2023
<b>Discount rate Sensitivity</b>		
Increase by 0.5%	386.87	298.15
(% change)	-3.52%	-3.10%
Decrease by 0.5%	411.61	317.82
(% change)	2.66%	3.29%
<b>Salary growth rate Sensitivity</b>		
Increase by 0.5%	410.69	317.29
(% change)	2.43%	3.12%
Decrease by 0.5%	387.55	298.49
(% change)	-3.35%	-2.99%
<b>Withdrawal rate (W.R.) Sensitivity</b>		
W.R. x 110%	398.52	307.76
(% change)	-0.61%	0.02%
W.R. x 90%	399.17	307.67
(% change)	-0.45%	-0.01%



# Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

## 35. EMPLOYEE BENEFIT OBLIGATIONS (Contd.)

### (j) A description of methods used for sensitivity analysis and its Limitations:

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. Discount rate Sensitivity Salary growth rate Sensitivity Withdrawal rate (W.R.) Sensitivity The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any. Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged..

### (k) A Description of any Asset-Liability Matching Strategies.

It was informed by the company that Gratuity Benefits liabilities of the company are funded. There are no minimum funding requirements for a Gratuity Benefits plan and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

### (l) The Effect of the Plan on the Entity's Future Cash Flows

The Company has purchased an Insurance policy to settle the Gratuity Payment to their employees. Company may do the contribution every years based on the funding valuation carry out by insurance company based on the latest data provided by Company.

## 36. DEFERRED TAX AND CURRENT TAX CALCULATIONS

### 36.1 Deferred Tax Liability / (Assets)

(₹ In Lakhs)

Sr. No.	Particulars	Current Year	Previous Year
a.	Deferred Tax (Assets) / Liability (NET) for the year	848.09	(729.58)
b.	Opening Balance of Deferred Tax Liability	286.82	1016.40
c.	Closing Balance of Deferred Tax Liability	1134.91	286.82

### 36.2 Tax Expenses

#### a. Income tax expenses recognized in Statement of Profit & Loss

(₹ In Lakhs)

Particulars	Current Year	Previous Year
Current Tax Expenses	0.00	0.00
Tax Adjustment for Earlier Years	0.00	0.00
	0.00	0.00

#### b. Reconciliation of estimated income to income tax expense

(₹ In Lakhs)

Particulars	Current Year	Previous Year
Profit Before Tax as per P&L	2989.56	(3070.42)
Expected income tax expense at statutory income tax rate of 25.168 % (Previous year: 25.168 %)	0.00	0.00
<b>Tax Effect of adjustments to reconcile Income Tax Expenses reported</b>		
Income Exempt from Tax	0.00	0.00
Long Term Capital Gains / Losses	0.00	44.02
Expenses not deductible in determining Taxable Profit	231.74	269.20
Expenses deducted in determining Taxable Profit	188.77	268.72
Total Adjustment	42.97	44.50
Income Tax Expenses recognized in the Statement of Profit and Loss	0.00	0.00

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

37. Since the company has presented Consolidated Financial Statements, it is not required to present segment information in the standalone financial statements as per Ind AS 108- Operating Segments.

### 38. 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.	Particulars	Current Year	Previous Year
1	Number of Shares	49603520	49603520
2	Profit contribution for Basic EPS (₹ in Lakhs)	2141.47	(2340.84)
3	Basic Earning Per Share	4.32	(4.72)
4	Diluted Earning Per Share	4.32	(4.72)
5	Nominal Value Per Share	1	1

39. In accordance with the Indian Accounting Standard (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

Smt. Purnima Mehta, Executive Director

Shri Manoj Fadnis, Independent Director (Upto 31<sup>st</sup> March, 2024)

Shri Chandrasekharan Bhaskar, Independent Director

Shri Rakesh Kalra, Independent Director (Upto 31<sup>st</sup> March, 2024)

Shri Hitendra Mehta, Independent Director

Smt. Vinita Puntambekar, Chief Financial Officer (appointed w.e.f. 1<sup>st</sup> February, 2022 and ceased w.e.f. 3<sup>rd</sup> February, 2023)

Mr. Rajesh Sisodia, Chief Financial Officer (appointed w.e.f. 3<sup>rd</sup> February, 2023)

Ms. Apeksha Baisakhiya, Company Secretary (Ceased w.e.f. 4<sup>th</sup> April, 2022)

Mr. Pankaj Baheti, Company Secretary (appointed w.e.f. 4<sup>th</sup> April, 2022 and ceased w.e.f. 22<sup>nd</sup> March, 2023)

Mr. Tanuj Sethi, Company Secretary (appointed w.e.f. 22<sup>nd</sup> March, 2023)

##### ii. Relatives of Key Management Personnel

Shri Saurabh Singh Mehta (Son of Chairman & Managing Director / Executive Director)

Smt. Devki Hirawat (Daughter of Chairman & Managing Director/ Executive Director)

Smt. Nidhi Mehta (Daughter-in-law of Chairman & Managing Director/Executive Director)

##### iii. Subsidiary Company

1) Kriti Auto & Engineering Plastics Pvt. Ltd (Wholly owned Subsidiary Company)

##### iv. Companies/entities under the control of Key Management Personnel

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

2) Kriti Nutrients Ltd. (Fellow Subsidiary)

3) Chetak Builders Pvt. Ltd. (Fellow Subsidiary) (Merged with Sakam Trading Pvt. Ltd. by order of Hon'ble NCLT, Indore Bench dated 19<sup>th</sup> October, 2023)

4) Sakam Charitable Trust, Indore

# Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

## v. Associate Company

1) F.P. Elite Energy Private Limited (w.e.f. 7<sup>th</sup> October 2022)

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

(₹ 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	Associate Company
1	DEPB License purchased	NIL	NIL	NIL	7.51	NIL
		(NIL)	(NIL)	(NIL)	(326.31)	(NIL)
2	Sale of Consumable Items	NIL	NIL	NIL	4.02	NIL
		(NIL)	(NIL)	(NIL)	(0.36)	(NIL)
3	Sale of Capital Goods	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
4	Purchase of Consumable Items	NIL	NIL	NIL	0.28	102.83
		(NIL)	(NIL)	(NIL)	(25.93)	(NIL)
5	Purchase of Capital Goods	NIL	NIL	NIL	18.93	NIL
		(NIL)	(NIL)	(NIL)	(1.85)	(NIL)
6	Remuneration	NIL	182.91	11.22	NIL	NIL
		(NIL)	(185.16)	(7.02)	(NIL)	(NIL)
7	Rent Paid	NIL	0.28	NIL	NIL	NIL
		(NIL)	(0.26)	(NIL)	(NIL)	(NIL)
8	Unsecured Loan Repaid Back	NIL	460.00	40.00	5077.00	NIL
		(NIL)	(80.00)	(27.00)	(6943.00)	(NIL)
	Taken	59.00	205.00	50.00	5015.00	NIL
		(NIL)	(42.00)	(NIL)	(7040.00)	(NIL)
	Closing Balances	859.00	983.00	164.50	2435.00	NIL
		(800.00)	(1238.00)	(154.50)	(2497.00)	(NIL)
9	Interest Received	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
10	Interest Given	58.74	91.91	13.37	208.52	NIL
		(61.58)	(100.72)	(16.18)	(172.35)	(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.

## 40. AUDITOR'S REMUNERATION

(₹ In Lakhs)

Sr. No.	Particulars	31.03.2024	31.03.2023
a.	Statutory Audit/ Tax Audit Fees	4.75	4.75
b.	Taxation & Other matters including Legal & Professional Expenses.	1.22	0.62
	<b>Total</b>	<b>5.97</b>	<b>5.37</b>

\*Figures are exclusive of taxes

## 41.

### 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 Cash Equivalents.

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Interest Bearing Loans and Borrowings	12093.11	11592.72
Current maturities of Long Term debts	1361.66	926.67
<b>Gross Debt</b>	<b>13454.77</b>	<b>12519.39</b>
Less: Cash and Cash Equivalents	0.99	2.10
<b>Net Debt (A)</b>	<b>13453.78</b>	<b>12517.29</b>
Total Equity (as per Balance Sheet) (B)	15041.61	12937.63
<b>Net Gearing (A/B)</b>	<b>0.89</b>	<b>0.97</b>

### B. Financial Risk Management

The Company's principal financial liabilities comprise loans and 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 loans & borrowings and foreign currency payables.

Company's Term Loans & 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 31<sup>st</sup> March, 2024 would have been decreased/ increased by ₹151.45 Lakhs.

The Company is exposed to risk with regard to foreign currency payables.

The Company is affected by the price volatility of Polymer prices. The Company enters into purchase contracts on a short term and forward foreign exchange contracts (matching the purchase contracts) are entered into to minimize price fluctuations.

#### ii. Credit Risk

Is the risk that a counter party will default on its contractual obligations resulting in a financial loss to the Company. It arises from cash and cash equivalents as well as credit exposure to customers.

The Company holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

Company's marketing policies & credit period is determined on the basis of segments sales history and credit worthiness of the customers. The sales affected through dealer network is normally 7-10 days credit period & in institutional sales some customers open Letters of Credit and some large corporate enjoys the credit facilities ranging 30-90 days.

#### iii. Liquidity Risk

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

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

All Long term borrowings are for a fixed tenor and generally these cannot be foreclosed.

The Company has access to various source of Short term funding and debit maturing within 12 months can be rolled over with existing lenders/new lenders, or repaid based on short term requirements. Trade and other payables are plugged as per credit terms and paid accordingly.

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

# Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

## 42. FINANCIAL RATIOS

Particulars	2023-24	2022-23	% Variance
Current Ratio (Current assets / Current Liabilities)	1.19	1.08	10%
Debt to Equity (Total Debt /Shareholders Equity)	0.89	0.97	-8%
Debt Service Coverage ratio <sup>1</sup> (Profit after tax+Depreciation+Finance Cost+loss on sale of fixed asset/interest and lease payment+ Term loan repayment)	1.57	0.05	3045%
Return on Equity <sup>2</sup> (PAT / Average shareholders equity)	15%	-17%	-193%
Inventory Turnover ratio <sup>3</sup> (COGS / Average Inventory)	4.99	3.96	26%
Trade receivable Turnover ratio (Revenue From Operations / Average Trade Receivable)	14.42	17.06	-15%
Trade payable Turnover ratio (Raw material+Other expenses / Average Trade payable)	5.97	5.52	8%
Net capital turnover ratio <sup>4</sup> (Revenue from operation/working capital)	19.89	37	-46%
Return on Sales <sup>2</sup> (PA T / Sales)	2.47%	-3.20%	-177%
Return on Capital Employed(ROCE) <sup>2</sup> (EBIDT / E.Capital + R & Surplus + Long term Liabilities)	27.62%	-2.44%	-1233%
Return on Investment <sup>2</sup>	4.65%	-5.59%	-183%

1. Profit in Current Financial Year vis a vis Loss in Previous financial year.
2. Due to Profit in Current Financial Year
3. Due to Increase in Turnover and decrease in Average Inventory
4. Due to Decrease in Short term Liability

## 43. GOVERNMENT GRANTS

Madhya Pradesh Industrial Development Corporation, a Government of Madhya Pradesh Undertaking, has approved a sum of ₹19.15 Crores (Rupees Nineteen Crores and Fifteen Lakhs only) as Investment Promotion Assistance out of the eligible investment of ₹49.02 Crores (Rupees Forty Nine Crores and Two Lakhs only). The total assistance is to be spread over a period of seven years, subject to compliance with the terms and conditions. Out of the above sum of ₹19.15 Crores, the State Level Empowered Committee (SLEC) has sanctioned a sum of ₹ Nil [previous year ₹2.41 Crores] as Investment Promotion Assistance (IPA) under the Investment Promotion Assistance (IPA) Scheme of Government of Madhya Pradesh. The same has been reduced from the carrying cost of the eligible assets and such reduced cost of the assets are depreciated over their useful lives.

**44.** The Board of Directors have recommended dividend of ₹0.20 per fully paid up equity share of ₹1/ each aggregating ₹99.21 Lacs for the financial year 2023-24. The actual amount will be dependent on the relevant share capital outstanding as on the record date/ book closure relevant share capital as on March 31, 2024.

**45.** The company has invested 788141 shares of ₹10 each (34.78% stake) for ₹78,81,410 of FP Elite Energy Private Limited. The company has recognized its share in the profit /loss of Associate Company as " Share in Net Profit /(Loss) of Associate" in consolidated Financial statements.

**46.** Fire broke out at the Pithampur (M.P.) Plant, on 28<sup>th</sup> April, 2022. Due to robust safety measures adopted by the Company, the situation was brought under control without any casualties, but stock and other assets valued at ₹19.04 crores were damaged. These items were adequately insured and the Company has filed necessary insurance claim which is under process, deduction (if any) by Insurance company at the time of settlement of claim shall be Accounted for in the year of settlement. The management is confident of realization of the claim made.

# Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

## 47. OTHER DISCLOSURES

- i. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder
- ii. The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- iii. The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956
- iv. The Company has complied the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- v. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the current as well as the previous year.
- vi. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
- vii. The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
- viii. The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- ix. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year as well as in the previous financial year.
- x. The Company has not made any contribution to any political party during the current financial year as well as in the previous financial year.
- xi. The Company does not have any benami property as defined under Benami Transaction (Prohibition) Act 1988.
- xii. All the immovable property held by the company are in the name of the company.

## 48. APPROVAL OF FINANCIAL STATEMENTS

The financial statements are approved by the Board of Directors in their meeting held on 03.05.2024.

**As per our Report of even date attached**

**For Rakesh Kumar & Associates**

Chartered Accountants

F.R.N. 002150C

**For and on behalf of the Board of Directors**

**Puneet Gupta**

*Partner*

M.No. 413168

**Shiv Singh Mehta**

*Chairman and Managing Director*

DIN 00023523

**Rajesh Sisodia**

*Chief Financial officer*

**Purnima Mehta**

*Executive Director*

DIN 00023632

**Tanuj Sethi**

*Company Secretary*

M.No. A69680

Place: Indore

Date:- 3<sup>rd</sup> May, 2024

# Independent Auditor's Report

To,  
The Members,  
**Kriti Industries (India) Limited**

## Report on the Audit of the Consolidated Financial Statements:

### Opinion:

We have audited the accompanying consolidated financial statements of **KRITI INDUSTRIES (INDIA) LIMITED** ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group") and its associate, which comprises the Consolidated Balance Sheet as at **March 31, 2024**, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of management certified separate financial statements/ financial information of such associate as were audited by other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31<sup>st</sup> March, 2024, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion:

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our Responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate 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 consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that audit evidence obtained by us along with consideration of separate financial statements/ financial information certified by the management of the associate, referred to in "Other Matters" section below is sufficient and appropriate to provide a basis for our opinion on our consolidated financial statements.

### Related to Going Concern (Emphasis of Matter):

We draw attention to Note No. 36 to the consolidated financial statements which indicates that the wholly owned Subsidiary of the Group [Kriti Auto & Engineering Plastics Private Limited] has discontinued its operations. As a result of COVID-19 pandemic, the subsidiary was not having sustainable business, hence, it has sold off substantial portion of its assets. Therefore, the Financial Statements of the subsidiary have not been prepared on going concern basis. Our opinion is not modified in respect of this matter.

### Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the financial year ended on March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

S.No.	Key Audit Matter	Auditor's Response
1.	<p><u>Evaluation of Litigations and Tax Positions</u></p> <p><b>[Note No. 30(c) of the Consolidated Financial Statements read with Note No. 2.2.9 to the standalone financial statements of the Holding Company]:</b></p> <p>The Group's operations are subject to periodic challenges by local tax authorities on a range of tax matters arising in the normal course of business including direct tax and indirect tax matters. Estimating the income tax expense also requires the Group to determine the probability of tax authorities accepting a particular tax treatment for potential tax exposures. These involve significant judgment by the Group to determine the possible outcome of the tax litigations and potential tax exposures, consequently having an impact on related accounting and disclosures in the consolidated financial statements.</p>	<p>Our audit approach involved: -</p> <ol style="list-style-type: none"> <li>Obtaining an understanding of the current status of the key tax litigations/tax assessments;</li> <li>Evaluating the Group's assessment of the possible outcome of tax litigations, potential tax exposures and related disclosures in the standalone financial statements.</li> <li>Examining communication received from various Tax Authorities/Judicial forums and consultations carried out by the Group including with external tax experts for key tax litigations and follow up action thereon;</li> <li>Evaluating the status of the recent tax assessments / inquiries, results of previous tax assessments, legal precedence / judicial rulings and changes in the tax environment. This is performed to assess and challenge the Group's estimate of the possible outcome of key tax litigations.</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 Group through discussions, collection of details of the subject matter under consideration and the likely outcome.</li> </ol>
	We determined the above areas as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters.	

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information ("the Other Information"), but does not include the consolidated financial statements and our auditor's report thereon.

### Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements:

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and its associate are responsible for the maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error



which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates is responsible for assessing each company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis for accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of each company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements:**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 the 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 the users taken on the basis of these consolidated 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 consolidated financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company, its subsidiary and its associate has adequate internal financial controls system 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 ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding company and such other entities included in consolidated financial statements of which we are independent auditors 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 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

report unless law or regulation precludes public disclosure about the matter 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.

## Other Matters

The consolidated financial statements also include the Group's share of net profit after tax (net) of ₹6.83 Lacs for the year ended 31 March 2024, in respect of one associate, whose financial statements / financial information have not been audited either by us or by the other auditors. These unaudited financial statements / financial information has been furnished to us by the Management of the associate and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the unaudited financial statements / financial information certified by the management of the associate furnished to us. In our opinion and according to the information and explanations given to us by the Management, this financial statements / financial information is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements / financial information certified by the Management of the associate furnished to us.

## Report on Other Legal and Regulatory Requirements:

1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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.

2)

(A) As required by Section 143 (3) of the Act, based on our audit and on the consideration of financial statements/ financial information certified by the Management of the associate furnished to us, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to the preparation of

the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company and its Subsidiary as on 31<sup>st</sup> March, 2024 taken on record by the respective Board of Directors of the Company and its subsidiary and based on the consideration of financial statements / financial information certified by the Management of the associate furnished to us, none of the directors of the companies included in the Group and its associate is disqualified as on 31<sup>st</sup> March, 2024 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 consolidated financial statements of the Company, its subsidiary company and its associate and the operating effectiveness of such controls, refer to our separate report in "Annexure – B" which is based on the auditor's report of the Holding Company and its subsidiary and its associate company. Our report expresses an unmodified opinion on the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of those companies, for reasons stated therein.

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of financial statements / financial information certified by the Management of the associate as mentioned in "Other Matters" paragraph:

a) The Consolidated financial statements has disclosed the impact of pending litigations on the consolidated financial position of the Group and its associate - Refer Note 30(c) to the consolidated Ind AS financial statements.

- b) The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There was no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and there was no amount required to be transferred by the subsidiary and its associate during the year ended 31<sup>st</sup> March 2024.
- d) (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 39 (vi) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary company or its associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the by the Holding Company or its subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 39 (vii) to the accounts, no funds have been received by the by the Holding Company or its subsidiary company or its associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the by the Holding Company or its subsidiary company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The final dividend paid by the Holding Company during the current year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013

to the extent it applies to payment of dividend. As stated in Note 44 to the Standalone financial statements of the Holding Company of the Group, the Board of Directors of the Holding Company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting of the Holding Company. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- f) Based on our examination which included test checks in respect of the Holding Company and its subsidiary and that **as communicated to us by the management of the associate (as audit of the associate was not completed till the date of this report)** the company, subsidiary and its associate have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective management of the above referred associate did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

- (C) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of financial statements / financial information certified by the Management of the associate furnished to us, the remuneration paid by the Group and its associate to its directors during the year is in accordance with the provisions of section 197 of the Act.

**FOR RAKESH KUMAR & ASSOCIATES**

Chartered Accountants  
Firm Reg. No.: 002150C

**CA. PUNEET GUPTA**

*Partner*

Place : Indore  
Date : 03<sup>rd</sup> May 2024

Membership No.: 413168  
UDIN : 24413168BKBFKZ4498

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

*The Annexure referred to in paragraph 1 under “Report on other Legal and Regulatory Requirements” of our Independent Auditor’s Report of even date on the consolidated Ind AS financial statements to the members of Kriti Industries (India) Limited for the year ended 31<sup>st</sup> March 2024.*

(xxi) There has been no qualifications or adverse remarks in the Companies (Auditor’s Report) Order, 2020 reports of the companies included in the Consolidated Financial Statements.

**FOR RAKESH KUMAR & ASSOCIATES**

Chartered Accountants

Firm Reg. No.: 002150C

**CA. PUNEET GUPTA**

*Partner*

Membership No.: 413168

UDIN : 24413168BKBFKZ4498

Place : Indore

Date : 03<sup>rd</sup> May 2024

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

*The Annexure referred to in paragraph 2(A)(f) under “Report on other Legal and Regulatory Requirements” of our Independent Auditor’s Report of even date on the consolidated Ind AS financial statements to the members of Kriti Industries (India) Limited for the year ended 31<sup>st</sup> March 2024.*

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to consolidated financial statements of **KRITI INDUSTRIES (INDIA) LIMITED** (“the Holding Company”) and its subsidiary and its associate company which are companies incorporated in India, as of that date.

### Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiary company and its associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“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 respective 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 with reference to consolidated financial statements 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”) issued by ICAI 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 issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 and the audit evidence obtained by the other auditors of the relevant associate referred to in the “Other Matters” paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### Meaning of Internal Financial Controls with reference to consolidated financial statements

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company, its subsidiary company and its associate, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March

2024, based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to one associate, which is company incorporated in India, is based solely on the financial statements / financial information certified by the management of such company incorporated in India. Our opinion is not modified in respect of this matter.

**FOR RAKESH KUMAR & ASSOCIATES**

Chartered Accountants  
Firm Reg. No.: 002150C

**CA. PUNEET GUPTA**

*Partner*

Place : Indore  
Date : 03<sup>rd</sup> May 2024

Membership No.: 413168  
UDIN : 24413168BKBFKZ4498

# Consolidated Balance Sheet as on 31.03.2024

(₹ in Lakhs)

Particulars	Note No	As at 31.03.2024	As at 31.03.2023
<b>ASSETS</b>			
<b>(1) NON CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	3	15,529.15	12,349.59
(b) Capital work-in-progress	4	1,322.21	1,688.75
(c) Other Intangible assets	5	3.75	4.54
(d) Financial Assets			
(i) Investments	6	428.55	285.71
(ii) Other financial assets	7	335.73	207.67
<b>Total Non Current Assets</b>		<b>17,619.39</b>	<b>14,536.26</b>
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	8	15,574.04	15,943.71
(b) Financial Assets			
(i) Trade receivables	9	6,674.38	5,343.34
(ii) Cash and cash equivalents	10	29.77	6.32
(iii) Bank balances other than (ii) above	11	2,034.95	1,305.85
(c) Income tax assets (Net)	12	39.70	205.76
(d) Other current assets	13	3,399.33	3,799.56
<b>Sub Total</b>		<b>27,752.17</b>	<b>26,604.54</b>
<b>Total Current Assets</b>		<b>27,752.17</b>	<b>26,604.54</b>
<b>Total Assets</b>		<b>45,371.56</b>	<b>41,140.80</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share capital	14	496.04	496.04
(b) Other Equity	15	14,670.99	12,516.39
<b>Total Equity</b>		<b>15,167.03</b>	<b>13,012.43</b>
<b>LIABILITIES</b>			
<b>(2) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	4,918.34	2,524.83
(a) Lease Liabilities	16	210.26	241.20
(b) Deferred tax liabilities (Net)	17	1,134.91	286.82
(c) Other non-current liabilities	18	450.92	430.08
(d) Provisions	23	113.73	55.24
<b>Total non current Liabilities</b>		<b>6,828.16</b>	<b>3,538.17</b>
<b>(3) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	7,677.43	9,194.56
(ii) Lease Liability	16	30.94	25.57
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note No.33)		236.64	359.62
(b) Total outstanding dues of creditors other than micro and small enterprises	20	13,101.41	12,561.47
(iv) Others	21	11.70	15.12
(c) Other current liabilities	22	2,100.51	2,235.27
(d) Provisions	23	217.74	198.59
<b>Current Liabilities</b>		<b>23,376.37</b>	<b>24,590.20</b>
<b>Total Equity and Liabilities</b>		<b>45,371.56</b>	<b>41,140.80</b>

Material Accounting Policy Information & Notes to the accounts 1 - 40

As per our Report of even date attached

For Rakesh Kumar & Associates

Chartered Accountants

F.R.N. 002150C

For and on behalf of the Board of Directors

**Puneet Gupta**

Partner

M.No. 413168

**Shiv Singh Mehta**

Chairman and Managing Director

DIN 00023523

**Rajesh Sisodia**

Chief Financial officer

**Purnima Mehta**

Executive Director

DIN 00023632

**Tanuj Sethi**

Company Secretary

M.No. A69680

Place: Indore

Date:- 3<sup>rd</sup> May, 2024

## Consolidated Statement of Profit & Loss for the period ended 31.03.2024

(₹ In Lakhs)

Particulars	Note No	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>REVENUE</b>			
Revenue From Operations	24	86,662.61	73,247.40
Other Income	25	339.44	353.07
<b>Total Income</b>		<b>87,002.05</b>	<b>73,600.47</b>
<b>EXPENSES</b>			
Cost of materials consumed		68,403.37	62,885.56
Changes in inventories of finished goods, Stock-in-Trade and Work-in-Progress		515.10	1,976.46
Employee benefits expense	26	3,527.43	2,931.38
Finance costs	27	2,037.53	1,673.90
Depreciation and amortization expense	3-4	1,199.45	913.35
Other expenses	28	8,269.88	6,228.64
<b>Total Expenses</b>		<b>83,952.76</b>	<b>76,609.29</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>3,049.29</b>	<b>(3,008.82)</b>
Exceptional Items (Impairment Loss)		-	-
<b>Profit/(loss) before tax</b>		<b>3,049.29</b>	<b>(3,008.82)</b>
<b>Tax expense:</b>			
(1) Current tax		15.05	-
(2) Deferred tax		848.09	(729.58)
(3) Earlier Period Tax		-	-
<b>Total Tax Expenses</b>		<b>863.14</b>	<b>(729.58)</b>
<b>Net Profit/(Loss) for the period from continuing operations</b>		<b>2,186.15</b>	<b>(2,279.24)</b>
<b>Profit/(Loss) for the period from discontinued operations</b>		<b>-</b>	<b>(7.55)</b>
<b>Tax expense:</b>			
(i) Current tax		-	13.60
(ii) Deferred tax		-	-
<b>Net Profit/(Loss) for the period from discontinued operations</b>		<b>-</b>	<b>(21.15)</b>
<b>Net Profit/(Loss) for the period.</b>		<b>2,186.15</b>	<b>(2,300.39)</b>
Share in Net Profit/(Loss) of Associate Company		6.83	(0.25)
<b>Net Profit/(Loss) for the period after shared Profit/(Loss) of Associate</b>		<b>2,192.98</b>	<b>(2,300.64)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		(37.49)	2.14
<b>Total Other Comprehensive Income</b>		<b>(37.49)</b>	<b>2.14</b>
<b>Total Comprehensive Income for the period</b>		<b>2,155.49</b>	<b>(2,298.50)</b>
Earnings per equity share			
(1) Basic		4.42	(4.64)
(2) Diluted		<b>4.42</b>	<b>(4.64)</b>

### Material Accounting Policy Information & Notes to the accounts 1 - 40

As per our Report of even date attached

For Rakesh Kumar & Associates

Chartered Accountants

F.R.N. 002150C

For and on behalf of the Board of Directors

**Puneet Gupta**

Partner

M.No. 413168

**Shiv Singh Mehta**

Chairman and Managing Director

DIN 00023523

**Rajesh Sisodia**

Chief Financial officer

**Purnima Mehta**

Executive Director

DIN 00023632

**Tanuj Sethi**

Company Secretary

M.No. A69680

Place: Indore

Date:- 3<sup>rd</sup> May, 2024



# Consolidated Cash Flow Statement as on 31.03.2024

(₹ In Lakhs)

Particulars	Year Ended 31.03.2024		Year Ended 31.03.2023	
	Amount	Amount	Amount	Amount
<b>Cash Flow From Operating Activities</b>				
Net Profit/(Loss) before Tax		3,049.29		(3,016.37)
Add: Loss/ (profit) from Discontinued Operations		-		7.55
<b>Net Profit before Tax (Net of Discontinued Operations)</b>		<b>3,049.29</b>		<b>(3,008.82)</b>
<b>Adjustments for :</b>				
Depreciation	1,199.45		913.35	
(Profit)/ Loss on Sale of Fixed Assets	-		(192.38)	
Financial Income	(287.28)		(110.60)	
OCI Income	(37.49)		2.14	
Financial Expense	2,096.26	2,970.94	1,735.49	2,348.00
<b>Cash Operating Profit before working capital changes</b>		<b>6,020.23</b>		<b>(660.82)</b>
(Increase) / Decrease in Inventories	369.67		4,712.71	
(Increase) / Decrease in Trade Receivables	(1,331.04)		(2,107.98)	
(Increase) / Decrease in Deposit given	-		69.72	
(Increase) / Decrease in Other Current Assets	400.23		(552.79)	
(Increase) / Decrease in Loan Given	-		-	
(Increase) / Decrease in other Financial assets	(128.06)		16.37	
Increase / (Decrease) in Trade Payables	416.96		197.47	
Increase / (Decrease) in Other Financial Liabilities	1.95		1.78	
Increase / (Decrease) in Other Current Liabilities	(134.76)		1,066.30	
Increase / (Decrease) in Provisions	77.64		47.42	
Increase / (Decrease) in Other Tax Liabilities	-		-	
		<b>(327.41)</b>		<b>3,451.01</b>
Tax Paid		150.10		(108.76)
<b>Net Cash From Operating Activities (A)</b>		<b>5,842.92</b>		<b>2,681.43</b>
<b>Cash Flow From Investing Activities</b>				
Financial Income	287.28		110.60	
Sale Proceed Of Fixed Assets (Net)	-		192.38	
Purchase of Property, Plant & Equipment Including CWIP Net of Govt. Grant.	(4,012.47)		(2,999.02)	
Purchase of Intangible assets Including WIP	0.80		4.43	
Advance received against asset held for sale (Net of Asset)	-		(150.21)	
Investment in Fixed Deposits against margin money	(729.10)		66.66	
(Increase) / Decrease in Non Current Investment	(142.84)		(283.56)	
Profit/ (Loss) of Associate Company	6.83		(0.25)	
Add: (Loss)/ profit from Discontinued Operations	-		(7.55)	
<b>Net Cash Used In Investing Activities (B)</b>		<b>(4,589.50)</b>		<b>(3,066.52)</b>
<b>Cash Flow From Financing Activities</b>				
Proceeds from Long Term Borrowings	2,393.51		564.34	
Repayment of Long Term Borrowings	-		-	
Net Increase / (Decrease) in Long Term Borrowings	2,393.51		564.34	
Increase / (Decrease) in Other Non Current Liability	(10.10)		90.98	
Increase / (Decrease) in Short Term Borrowings	(1,517.12)		1,555.64	
Dividend Paid on Equity Shares	-		(99.21)	
Financial Expenses	(2,096.26)		(1,735.49)	
<b>Net Cash Used In Financing Activities (C)</b>		<b>(1,229.97)</b>		<b>376.26</b>
<b>Net Decrease In Cash and Cash Equivalents (A + B + C)</b>		<b>23.45</b>		<b>(8.85)</b>
<b>ADD :Cash and cash equivalents - Opening - 1<sup>st</sup> April</b>		<b>6.32</b>		<b>15.17</b>
<b>Cash and cash equivalents - Closing - 31<sup>st</sup> March, 2024</b>		<b>29.77</b>		<b>6.32</b>

## Consolidated Cash Flow Statement as on 31.03.2024

### Footnote to Cash Flow Statement:

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

Particulars	2023-24	2022-2023
<b>Cash &amp; Cash Equivalents</b>		
Balances with Banks		
Current Account	28.87	5.22
Cash on hand	0.90	1.10
<b>Total of Cash &amp; Cash Equivalent</b>	<b>29.77</b>	<b>6.32</b>

### Material Accounting Policy Information & Notes to the accounts 1 - 40

As per our Report of even date attached

**For Rakesh Kumar & Associates**

Chartered Accountants

F.R.N. 002150C

**For and on behalf of the Board of Directors**

**Puneet Gupta**

Partner

M.No. 413168

**Shiv Singh Mehta**

Chairman and Managing Director

DIN 00023523

**Rajesh Sisodia**

Chief Financial officer

Place: Indore

Date:- 3<sup>rd</sup> May, 2024

**Purnima Mehta**

Executive Director

DIN 00023632

**Tanuj Sethi**

Company Secretary

M.No. A69680

# Statement of Change in Equity for the Year ended 31<sup>st</sup> March, 2024

## A. Equity Share capital

### (1) Current Reporting period

(₹ In Lakhs)

Equity Share Capital	Balances as at 1 <sup>st</sup> April, 2023	Changes in equity share capital during the year due to prior period item	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March, 2024
Paid up Capital	496.04	-	-	-	496.04

### (2) Previous Reporting period

(₹ In Lakhs)

Equity Share Capital	Balances as at 1 <sup>st</sup> April, 2022	Changes in equity share capital during the year due to prior period item	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 <sup>st</sup> March, 2023
Paid up Capital	496.04	-	-	-	496.04

## B. Other Equity

### (1) Current Reporting period

(₹ In Lakhs)

Equity Share Capital	Reserves and Surplus					Total
	Capital Reserve	Securities Premium	General Reserve	Share Forfeiture Account	Retained Earnings	
Balance as at 1 <sup>st</sup> April 2023	-	466.14	3,825.00	2.73	8,222.52	12,516.39
Total Comprehensive income for 2023-24					2,192.97	2,192.97
Actuarial Gain/Loss on Defined Benefit Plan recognised in Other Comprehensive Income					(37.49)	(37.49)
Dividends					-	-
Transfer of retained earning			150.00		(150.00)	-
Short IT Provision Earlier Year					(0.88)	(0.88)
<b>Balance as at 31<sup>st</sup> March 2024</b>	<b>-</b>	<b>466.14</b>	<b>3,975.00</b>	<b>2.73</b>	<b>10,227.12</b>	<b>14,670.99</b>

### (2) Previous Reporting period

(₹ In Lakhs)

Equity Share Capital	Reserves and Surplus					Total
	Capital Reserve	Securities Premium	General Reserve	Share Forfeiture Account	Retained Earnings	
Balance as at 1 <sup>st</sup> April 2022	-	466.14	3,825.00	2.73	10,623.84	14,917.71
Total Comprehensive income for 2022-23					(2,300.64)	(2,300.64)
Actuarial Gain/Loss on Defined Benefit Plan recognised in Other Comprehensive Income					2.15	2.15
Dividends					(99.21)	(99.21)
Transfer of retained earning			-		-	-
Short IT Provision Earlier Year					(3.61)	(3.61)
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>-</b>	<b>466.14</b>	<b>3,825.00</b>	<b>2.73</b>	<b>8,222.52</b>	<b>12,516.39</b>

### 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.

### 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.

### Retained Earnings

The Balance in the Retained Earnings represents the accumulated profit after payment of dividend, transfer to General reserve and adjustment of Actuarial gains/(losses) on Defined benefit Plans.

# Notes - 1 Material Accounting Policy Information and Notes to the Accounts 31.03.2024

## 1 CORPORATE INFORMATION

Kriti Industries (India) Ltd., a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 12.03.1990 and having its Registered office in Indore (MP). The company's shares are listed in the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). KIIL manufactures premium quality piping products and solution, accessories, gas pipe, telecom ducts, submersible pipes and casing pipes.

The Group includes Kriti Industries (India) Ltd as the holding company, its wholly owned subsidiary Kriti Auto and Engineering Plastics Private Limited and the associate company FP Elite Energy Private Limited.

The Consolidated Financial Statements have been prepared as required u/s 129 (5) of the Companies Act 2013 ("the Act").

## 2. STATEMENT OF COMPLIANCE OF INDIAN ACCOUNTING STANDARDS (IND AS)

These financial statements are consolidated financial statements of the Group (also called consolidated financial statements). The Group has prepared and presented its consolidated financial statements for the year ended March 31, 2024 together with the comparative period information as at and for the year ended March 31, 2023 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

### 2.1 Basis of Preparation and Presentation

The Group has consistently applied all the accounting policies to all periods presented in these consolidated financial statements.

The consolidated 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 Group 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. The financial statements have been prepared on going concern basis except in the case of the wholly owned subsidiary Kriti Auto and Engineering Plastics Private Limited.

Historical cost measures provide monetary information about assets, liabilities and related income and expenses, using information derived, at least in part, from the price of the transaction or other event that gave rise to them. Unlike current value, historical cost does not reflect changes in values, except to the extent that those changes relate to impairment of an asset or a liability becoming onerous.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

### 2.2 Principles of consolidation

- a. The accompanying consolidated financial statements have been prepared and presented in Indian Rupees (INR) being the functional currency and the presentation currency of the Parent Company.
- b. The consolidated financial statements of the Group have been prepared on a line-by-line consolidation of Kriti Industries Limited and its wholly owned subsidiary by adding together the like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra-group balances and intra-group transaction including unrealized gain or losses from such transactions and cash flows relating to transactions between members of the Group are eliminated upon consolidation.

## Notes - 1 Material Accounting Policy Information and Notes to the Accounts 31.03.2024

- c. The consolidated financial statements have been prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presents to the extent possible, in the same manner as the company's separate financial statements.
- d. The Subsidiary and Associate considered in the consolidated financial statements are:

Name of Company	Country of incorporation	% Voting Power held as at 31 <sup>st</sup> March 2024	% Voting power held as at 31 <sup>st</sup> March 2023
Kriti Auto & Engineering Plastics Pvt. Ltd (KAEPPL) (Subsidiary)	India	100.00	100.00
FP Elite Energy Private Limited (Associate)	India	34.78	34.78

- e. The financial statements of the Subsidiary have been consolidated on line by line basis in accordance with Ind AS 110 Consolidated Financial Statements. The financial statements of the Associate have been consolidated in accordance with Ind AS 28 Investments in Associates and Joint Ventures.

### 2.3. Other Material Accounting Policy Information

These are set out in the notes to the financial statements under "Statement of accounting Policies" of financial statements of the company and KAEPPL.

#### 2.3.1 Recent pronouncements:

Ministry of Corporate Affairs (MCA) notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide Notification dated 23 March 2022. Following amendments and annual improvements to Ind AS are applicable from 1 April 2022.

#### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements

#### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements

#### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any impact in its financial statements.

#### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements

#### Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements

# Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

## NOTE NO. 3-4-5 Property, Plant, Equipment and Intangible Assets (2023-24)

(₹ In Lakhs)

Note	Particular	Gross Block		Total	Depreciation		Net Block			
		01.04.2023	Addition		Deduction	01.04.2023	For the Year	Written back	Total	31.03.2024
<b>3</b>	<b>Tangible Assets</b>									
3.1	Land	-	-	-	-	-	-	-	-	-
3.1.1	Free hold Land	318.36	-	-	318.36	-	-	318.36	-	318.36
3.1.2	Lease hold Land	36.66	-	-	36.66	0.49	-	32.77	3.89	33.26
3.2	Buildings	2,966.93	1,041.13	-	4,008.06	608.71	212.63	3,186.72	821.34	2,358.21
3.3	Plant & Machinery	13,131.81	3,315.58	-	16,447.39	3,792.38	933.10	11,721.91	4,725.48	9,339.42
3.4	Furniture	58.85	1.23	-	60.08	30.75	5.03	24.30	35.78	28.12
3.5	Vehicles	24.35	-	-	24.35	24.34	0.01	-	24.35	-
3.6	Office Equipment	203.18	18.94	-	222.12	133.93	13.58	74.61	147.51	69.25
3.7	Right-of-Use Asset:									
3.7.1	Office Building	324.72	-	-	324.72	121.77	32.47	170.48	154.24	202.97
	<b>Total (3)</b>	<b>17,064.86</b>	<b>4,376.88</b>	-	<b>21,441.74</b>	<b>4,715.28</b>	<b>1,197.31</b>	<b>15,529.15</b>	<b>5,912.59</b>	<b>12,349.59</b>
	Previous Year	14,387.60	2,925.84	248.57	17,064.86	3,806.36	908.92	12,349.59	4,715.28	10,581.25
4	Intangible Assets									
4.1	Other Computer Software	55.07	1.34	-	56.41	50.52	2.14	3.75	52.66	4.54
	<b>Total (4)</b>	<b>55.07</b>	<b>1.34</b>	-	<b>56.41</b>	<b>50.52</b>	<b>2.14</b>	<b>3.75</b>	<b>52.66</b>	<b>4.54</b>
	Previous Year	55.07	-	-	55.07	46.09	4.43	4.54	50.52	8.98
	<b>Grand Total (3+4)</b>	<b>17,119.93</b>	<b>4,378.22</b>	-	<b>21,498.15</b>	<b>4,765.80</b>	<b>1,199.45</b>	<b>15,532.90</b>	<b>5,965.25</b>	<b>12,354.13</b>
	Previous Year	14,442.67	2,925.84	248.57	17,119.93	3,852.45	913.35	12,354.13	4,765.80	10,590.23

### CWIP Ageing

As at 31 March 2024	CWIP Ageing				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,155.12	167.09	-	-	1,322.21
Projects temporarily suspended	-	-	-	-	-

### CWIP Ageing

As at 31 March 2023	CWIP Ageing				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	624.80	1,022.38	41.57	-	1,688.75
Projects temporarily suspended	-	-	-	-	-

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

### NOTE-6 INVESTMENT

(₹ In Lakhs)

Particular	31.03.2024	31.03.2023
<b>6.1 Investment in Trust Securities</b>		
6.1.1 National Saving Certificate	0.14	0.14
<b>6.2 Unquoted</b>		
<b>Non Trade Investment in equity instruments</b>		
6.2.1 Sahkari Audhyogik Vasahat LIMITED (1 Share of ₹500/-)	0.01	0.01
6.2.2 The Cosmos Co-operative Bank Ltd. (1000 Equity Shares of ₹100/- each)	1.00	1.00
<b>Trade Investment in equity instruments</b>		
6.2.3 Kriti Auto Engineering & Plastic Private Limited (100% Subsidiary) (3885000 Shares of ₹10/-each)	1.00	1.00
<b>Trade Investment in equity instruments</b>		
6.2.4 FP Elite Energy Private Limited (788141 share @ RS 10 each of FP Elite energy Pvt Ltd- 34.78% Stake) (Previous Year - 788141 share @ RS 10 each) Add/Less:- Provision For Impairment Profit / (Loss)	78.57 6.83	78.81 (0.25)
<b>Investment in Mutual Fund</b>	341.00	205.00
6.2.5 SBI Short Term debt Fund (1241954.637 Units of ₹27.456 each) (Previous Year - 757493.092 Units of ₹27.06 each) Nav as on 31/3/2024 ₹36084992 (Previous Year - 20550788)		
<b>Total</b>	<b>428.55</b>	<b>285.71</b>

### NOTE-7 OTHER FINANCIAL ASSETS

(₹ In Lakhs)

Particular	31.03.2024	31.03.2023
7.1 Security deposit	335.73	207.67
	-	-
<b>Total</b>	<b>335.73</b>	<b>207.67</b>

### NOTE-8 INVENTORIES

(₹ In Lakhs)

Particular	31.03.2024	31.03.2023
8.1 Raw Material	5,669.21	5,577.90
8.2 Finished Goods	9,169.18	9,684.28
8.3 Stores and Spares & others	735.65	681.53
<b>Total</b>	<b>15,574.04</b>	<b>15,943.71</b>

### NOTE-9 TRADE RECEIVABLES

(₹ In Lakhs)

Particular	31.03.2024	31.03.2023
<b>9.1 Trade Receivables</b>		
Unsecured considered good	6,674.38	5,343.34
<b>Total</b>	<b>6,674.38</b>	<b>5,343.34</b>
<b>Trade receivables</b>		
Secured, considered good - -	-	-
Unsecured, considered good	6,674.38	5,343.34
Trade Receivables which have significant increase in Credit Risk	-	-
Less: Impairment for trade receivable		
Trade Receivables - credit impaired - -		
<b>Current trade receivables</b>	<b>6,674.38</b>	<b>5,343.34</b>

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

(₹ In Lakhs)

Particular	Outstanding for the following periods from due date of payment as on 31.03.2024						Total
	Not Due	Less Than 6 month	6 month-1 years	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables-considered good	5,454.68	143.10	189.99	129.65	5.68	608.54	6,531.64
ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables-considered good	-	-	-	-	-	142.74	142.74
v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-

(₹ In Lakhs)

Particular	Outstanding for the following periods from due date of payment as on 31.03.2023						Total
	Not Due	Less Than 6 month	6 month-1 years	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables-considered good	3,110.38	1,098.51	86.53	69.25	193.19	628.40	5,186.26
ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables-considered good	-	-	-	-	-	157.08	157.08
v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

### NOTE-10 CASH AND CASH EQUIVALENTS

Particulars	31.03.2024	31.03.2023
10.1 Balances with Banks	28.87	5.22
10.2 Cash on hand	0.90	1.10
<b>Total</b>	<b>29.77</b>	<b>6.32</b>



# Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

## NOTE-11 OTHER BANK BALANCES

Particulars	31.03.2024	31.03.2023
11.1 Unpaid dividend	11.70	15.13
11.2 Unpaid CSR	61.90	22.93
11.3 Fixed deposit with banks against margin money (Maturity less than 11 months)	1,961.35	1,267.79
<b>Total</b>	<b>2,034.95</b>	<b>1,305.85</b>

## NOTE NO -12 INCOME TAX ASSET

Particulars	31.03.2024	31.03.2023
12.1 Advance Tax & TDS (Net)	39.70	205.76
<b>Total</b>	<b>39.70</b>	<b>205.76</b>

## NOTE-13 OTHER CURRENT ASSETS

Particulars	31.03.2024	31.03.2023
13.1 Sundry Deposits	55.16	55.15
13.2 Other Current Assets	829.57	1,413.51
13.3 Accrued Interest/ Income	1,357.29	1,397.59
13.4 Advance to Vendor/creditors (Vendor Debit Balances)	524.51	778.59
13.5 Advances recoverable in cash or kind or for value to be recieved	632.80	154.72
<b>Total</b>	<b>3,399.33</b>	<b>3,799.56</b>

## NOTE NO -14 SHARE CAPITAL

Particulars	31.03.2024	31.03.2023
<b>14.1 AUTHORIZED</b>		
14.1.1 80000000 Equity Shares of Re. 1/- each	800.00	800.00
14.1.2 2000000 Optional convertible Preference Shares of ₹10/- each	200.00	200.00
<b>14.2 ISSUED, SUBSCRIBED AND PAID UP</b>		
14.2.1 49603520 equity shares of ₹1/- each fully paid up. which are issued as fully paid up		
Shares on 27.01.2010 on account of scheme of arrangement as approved by The		
Hon'ble High Court of M.P. Indore Bench		
<b>14.2.2 Reconciliation of shares</b>		
<b>14.2.2.1 Opening Balance of 49603520 shares of ₹1/- each Total</b>	496.04	496.04
<b>14.2.2.2 Issued during the year</b>	-	-
<b>14.2.2.3 Closing Balance 49603520 shares of ₹1/- each</b>	496.04	496.04
The company has issued only one class of shares referred to as equity shares having a par value of ₹1 each. Holder of the equity share as referred in the records of the company as of date of the shareholder's meeting is referred to one vote in respect of each share held for all matters submitted to vote in the shareholder's meeting. The company declares and pays dividends in Indian rupees. In the event of liquidation of the company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts.		
	<b>496.04</b>	<b>496.04</b>

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

### NOTE NO -14 EQUITY SHARE CAPITAL (Contd.)

Particulars	31.03.2024	31.03.2023
<b>14.3 SHAREHOLDER HOLDING MORE THAN 5 % OF SHARES OF THE COMPANY AND ITS PERCENTAGE</b>		
<b>14.3.1 SAKAM TRADING PRIVATE LIMITED</b>		
No. of Shares	3,04,75,702	2,58,43,673
% of Shares	61.44%	52.10%
<b>14.3.2 CHETAK BUILDERS PRIVATE LIMITED</b>		
No. of Shares	-	46,32,029
% of Shares	0.00%	9.34%

### 14.4 Promoter's Share holding

Name of promoter	As at 31 March 2024			As at 31 March 2023		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
1) SHIV SINGH MEHTA	20,67,299	4.17	0.00	20,67,299	4.17	0.00
2) PURNIMA MEHTA	2,97,587	0.60	0.00	2,97,587	0.60	0.00
3) DEVKI MEHTA	38,736	0.08	0.00	38,736	0.08	0.01
4) SAURABH MEHTA	30,423	0.06	0.00	30,423	0.06	0.00
5) SAKAM TRADING PRIVATE LIMITED	3,04,75,702	61.44	9.34	2,58,43,673	52.10	0.00
6) CHETAK BUILDERS PRIVATE LIMITED	-	0.00	-9.34	46,32,029	9.34	0.00
<b>Total</b>	<b>3,29,09,747</b>	<b>66.35</b>	<b>0.00</b>	<b>3,29,09,747</b>	<b>66.35</b>	<b>0.01</b>

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.27.02.12 of Kriti Industries (I) Ltd.

### NOTE NO -15 RESERVES & SURPLUS

Particulars	31.03.2024	31.03.2023
<b>15.1 RESERVES</b>		
<b>15.1.1 General Reserve</b>		
15.1.1 Opening Balance	3,825.00	3,825.00
15.1.2 Add: Transfer from P&L	150.00	-
<b>15.1.3 Closing Balance</b>	<b>3,975.00</b>	<b>3,825.00</b>
<b>15.2 SHARE PREMIUM ACCOUNT</b>		
15.2.1 Opening Balance	466.14	466.14
15.2.2 Add: Transfer from P&L	-	-
<b>15.2.3 Closing Balance</b>	<b>466.14</b>	<b>466.14</b>
<b>15.3 SHARE FOREFEITURE ACCOUNT</b>		
15.3.1 Opening Balance	2.73	2.73
15.3.2 Add: Transfer from P&L	-	-
<b>15.3.3 Closing Balance</b>	<b>2.73</b>	<b>2.73</b>
<b>15.4 SURPLUS</b>		
<b>15.4.1 Statement of Profit &amp; Loss</b>		
15.4.1 Opening Balance	8,212.23	10,615.69
15.4.2 Add Profit & Loss during the period	2,192.97	(2,300.64)
	<b>10,405.20</b>	<b>8,315.05</b>

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

### NOTE NO -15 RESERVES & SURPLUS (Contd.)

Particulars	31.03.2024	31.03.2023
<b>Less:</b>		
15.4.3 Final Dividend Nil (PY @ ₹0.20 per share)	-	99.21
15.4.4 Transferred to General Reserve	150.00	-
15.4.5 Short IT Provision	0.88	3.61
<b>Balance in Surplus</b>	<b>10,254.32</b>	<b>8,212.23</b>
<b>15.5 OTHER COMPREHENSIVE INCOME (OCI)</b>		
15.5.1 Opening Balance	10.29	8.15
15.5.2 Movement in OCI during the year	(37.49)	2.14
15.5.3 Closing Balance	(27.20)	10.29
<b>Total</b>	<b>14,670.99</b>	<b>12,516.39</b>

### NOTE NO -16 FINANCIAL LIABILITIES

Particulars	31.03.2024	31.03.2023
<b>16.1 TERM LOAN</b>		
<b>(Installment due within 12 months shown in Current Liabilities)</b>		
<b>16.1.1 SECURED</b>		
<b>16.1.1.1 From Banks</b>		
Term of Repayment of Long Term Borrowings		
HDFC BANK	-	91.67
HDFC BANK GECL	-	153.33
TATA CAPITAL	650.00	1,200.00
TATA CAPITAL	633.34	-
INDUSIND BANK TERM LOAN	1,200.00	-
STATE BANK OF INDIA GECL	-	79.83
<b>Total</b>	<b>2,483.34</b>	<b>1,524.83</b>
(Above loans are secured by First charge/ Mortgage on fixed assets of the company and personal guarantee of Managing Director)		
<b>16.1.2 UNSECURED</b>		
<b>16.1.2.1 Loans &amp; Advances from Related parties</b>	2,435.00	1,000.00
(Long Term Deposit received from Kriti Nutrients Ltd.)		
<b>Total</b>	<b>4,918.34</b>	<b>2,524.83</b>
16.i) Lease Liabilities		
The company has entered into lease contract for its office building and as per IND AS 116, the right of use Assets have been created and lease liability for the same has been accounted for.		
Reconciliation of Lease Liabilities		
Opening Balance as on 1 <sup>st</sup> April	266.77	287.60
Addition during the Year	-	-
Deletion during the Year	-	-
Accreditation of Interest	-	-
Lease Liabilities paid during the Year	25.57	20.83
<b>Balance as on 31<sup>st</sup> March</b>	<b>241.20</b>	<b>266.77</b>

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

### NOTE NO -16 FINANCIAL LIABILITIES (Contd.)

Particulars	31.03.2024	31.03.2023
	-	-
Out of the Above	-	-
Current Liability	30.94	25.57
<b>Non Current Liability</b>	<b>210.26</b>	<b>241.20</b>
Amount recognized in Statement of Profit & Loss		
Depreciation on right of use assets	32.47	32.47
Interest Expenses on lease liabilities	28.01	30.20

### NOTE NO-17 DEFERRED TAX LIABILITY NET

Particulars	31.03.2024	31.03.2023
17.1 Deferred Tax Liability (Net)		
On account of tax effects on timing difference arising due to difference in Depreciation	1,134.91	286.82
<b>Total</b>	<b>1,134.91</b>	<b>286.82</b>

### NOTE NO -18 OTHER NON CURRENT LIABILITIES

Particulars	31.03.2024	31.03.2023
<b>18.1 Other Loans and advances</b>	450.92	430.08
(Security Deposit received from dealers)	-	-
<b>Total</b>	<b>450.92</b>	<b>430.08</b>

### NOTE NO -19 SHORT TERM BORROWINGS

Particulars	31.03.2024	31.03.2023
<b>19. 1 Loans repayable on Demand</b>		
<b>19.1.1 SECURED</b>	-	-
From banks	5,168.27	5,378.39
(Secured by hypothecation of finished goods, Raw material, Stock in process, store and spares, sundry debtors, export bills, receivables and second charge on fixed assets of the company and personal guarantee of Managing director)	-	-
Current maturities of Long term debt	1,361.66	926.67
<b>19.1.2 UNSECURED</b>	-	-
19.1.2.1 From banks	-	-
19.1.2.2 From others	-	-
19.1.2.3 Loans & Advances from Related parties	1,147.50	2,889.50
<b>Total</b>	<b>7,677.43</b>	<b>9,194.56</b>

### NOTE NO - 20 TRADE PAYABLES

Particulars	31.03.2024	31.03.2023
<b>20.1 Trade Payables</b>		
(a) Total outstanding dues of micro enterprises and small enterprises	236.64	359.62
(b) Total outstanding dues of creditors other than micro and small enterprises	13,101.41	12,561.47
<b>Total</b>	<b>13,338.05</b>	<b>12,921.09</b>

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

Particular	Outstanding for the following periods from due date of payment as on 31.03.2024					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	207.10	29.54	-	-	-	236.64
(ii) Others	11,771.44	1,294.50	1.51	6.27	27.69	13,101.41
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iii) Disputed Dues - Others	-	-	-	-	-	-

Particular	Outstanding for the following periods from due date of payment as on 31.03.2023					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	359.62	-	-	-	-	359.62
(ii) Others	10,246.33	2,282.64	4.30	0.64	27.56	12,561.47
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iii) Disputed Dues - Others	-	-	-	-	-	-

### NOTE NO -21 OTHERS

Particulars	31.03.2024	31.03.2023
20.1 Unpaid dividends	11.70	15.12
<b>Total</b>	<b>11.70</b>	<b>15.12</b>

### NOTE NO -22 OTHER CURRENT LIABILITIES

Particulars	31.03.2024	31.03.2023
22.1 Other Current Liabilities	1,687.90	1,852.15
22.2 Statutory Liabilities	128.94	99.30
22.3 Employee Payable	282.89	276.38
22.4 Income Tax Provision	0.78	7.44
<b>Total</b>	<b>2,100.51</b>	<b>2,235.27</b>

### NOTE NO -23 PROVISIONS

Particulars	31.03.2024	31.03.2023
23.1 Provision for Employees Benefits	156.24	137.46
23.2 Provision for Doubtful debts	61.50	61.13
	217.74	198.59
23.3 Provision for Employees Benefits (Long Term)	113.73	55.24
<b>Total</b>	<b>331.47</b>	<b>253.83</b>

### NOTE-24 REVENUE FROM OPERATIONS

Particulars	31.03.2024	31.03.2023
24.1 Sale of Products	86,594.01	73,207.21
24.2 Other operating revenues (Penalty , Secondary Transportation etc.)	68.60	40.19
<b>Total</b>	<b>86,662.61</b>	<b>73,247.40</b>

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

### NOTE-25 OTHER INCOME

Particulars	31.03.2024	31.03.2023
25.1 Interest Income	287.28	110.60
25.2 Net Gain on foreign currency transactions	47.24	4.35
25.3 Other Non-operating Income	4.92	45.74
25.4 Profit on Sale of Fixed asset	-	192.38
<b>Total</b>	<b>339.44</b>	<b>353.07</b>

### NOTE-26 EMPLOYEE BENEFITS EXPENSES

Particulars	31.03.2024	31.03.2023
26.1 Salaries & Wages	2,998.85	2,453.31
26.2 Contribution to provident and other fund	161.09	145.56
26.3 Staff Welfare Expenses	234.53	199.55
26.4 Director Remuneration	120.00	120.00
26.5 P.F on Director Remuneration	12.96	12.96
<b>Total</b>	<b>3,527.43</b>	<b>2,931.38</b>

### NOTE-27 FINANCIAL COST

Particulars	31.03.2024	31.03.2023
27.1 Interest Expenses	1,398.30	1,349.25
27.2 Other Borrowing Cost (LC/BG Charges, Bank Commission etc.)	639.23	324.65
<b>Total</b>	<b>2,037.53</b>	<b>1,673.90</b>

### NOTE-28 OTHER EXPENSES

(₹ In Lakhs)

Particulars	31.03.2024	31.03.2023
<b>(I)</b>		
28.1 Stores and Spares Consumed	405.91	351.85
28.2 Power Charges	2,811.54	2,163.53
28.3 Freight & Cartage	1,226.89	890.84
28.4 Repairs & Maintenance	242.97	172.24
28.5 Insurance Charges	125.57	90.80
28.6 Water Charges	66.79	44.72
28.7 Job Work Charges	196.54	156.62
28.8 Miscellaneous Manufacturing Expenses (Testing Charges, Security Charges etc.)	162.60	133.79
<b>Sub Total (I)</b>	<b>5,238.81</b>	<b>4,004.39</b>
<b>(II)</b>		
28.9 Stationery & Printing	10.64	8.74
28.10 Computer Expense	52.99	33.79
28.11 Rent, Rates and Taxes	38.21	38.87
28.12 Postage, Telegram and Telephones	26.69	18.39
28.13 Auditor's Fees	5.25	4.75
28.14 Conveyance Expenses	45.89	55.09
28.15 Legal & Professional Charges	406.42	340.94
28.16 Miscellaneous Expenses (House Keeping, Repair & Maintenance- Other etc.)	65.04	57.81

# Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

## NOTE-28 OTHER EXPENSES (Contd.)

(₹ In Lakhs)

Particulars	31.03.2024	31.03.2023
28.17 Director's Meeting Fee	4.72	4.92
28.18 Net loss on foreign currency transactions	-	-
28.19 Corporate Social Responsibility	26.12	63.07
<b>Sub Total (II)</b>	<b>681.97</b>	<b>626.37</b>
<b>(III)</b>		
28.20 Advertisement & Publicity	4.01	3.09
28.21 Sales Promotion Expenses	498.97	333.00
28.22 Market Development Expenses	68.85	31.45
28.23 Brokerage & Commission	19.03	20.82
28.24 Service Charges	-	4.98
28.25 Freight Outward	1,071.82	700.08
28.26 Statutory Levies	1.72	0.87
28.27 Travelling Expenses	684.33	503.59
28.28 Expected credit Loss	0.37	-
28.29 Bad Debts	-	-
<b>Sub Total (III)</b>	<b>2,349.10</b>	<b>1,597.88</b>
<b>TOTAL (I+II+III)</b>	<b>8,269.88</b>	<b>6,228.64</b>

29. 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.

## 30. CONTINGENT LIABILITIES

- Estimated amount of contracts remaining to be executed on Capital Account ₹593.13 Lakhs net of advance given (Previous Year ₹163.00 Lakhs)
- Bank has given guarantee on behalf of the Company to various parties to the extent of ₹1204.16 Lakhs (Previous Year ₹1226.24 Lakhs.)
- Claims Against company not acknowledge as debt by the company are as under:

(₹ In Lakhs)

S. No.	Particulars	Amount of Demand as on 31.03.2024	Amount Deposited / Relief against demand till 31.03.2024	Amount of Demand as on 31.03.2023	Amount Deposited against demand till 31.03.2023
1	Demand for MP & MH VAT Tax various years pending appeals at various levels	14.00	3.00	14.00	3.00
2	Demand for Central Excise with Commissioner Appeal, Pune	4.76	0.38	0.00	0.00
3	Demand for Entry Tax Act various years pending appeals at various levels	129.73	116.18	129.73	116.18
4	Demand for Central Sales Tax Act various years pending appeals at various levels	114.38	17.39	114.38	17.39
5	Demand for Excise and Service Tax Act various years pending appeals at various levels	150.42	11.84	150.42	11.84
6	Demand for Income Tax Act various years pending appeals at various levels	0.94	0.00	0.94	0.00

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

**31.** The amount of Foreign Exchange gain/ (loss) included in the profit & loss account is ₹47.24 Lakhs (Previous year gain/ (loss) ₹4.35 Lakhs).

**32.** As per Ind AS 108- "Operating Segment", segment information has been provided under the Notes to Financial Statement

(₹ In Lakhs)

	2023-24	2022-23
<b>(i) Revenue from external customers</b>		
With in India	86662.61	73247.40
Outside India	-	-
<b>Total</b>	<b>86662.61</b>	<b>73247.40</b>
<b>(ii) Non Current Assets</b>		
With in India	17619.39	14536.26
Outside India	-	-
<b>Total</b>	<b>17619.39</b>	<b>14536.26</b>

### iii) Detail of Revenue from Single customer more than 10% (standalone)

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

## 33. EARNING PER SHARE

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

(₹ In Lakhs)

Sr No.	Nature of Transaction	Current Year	Previous Year
1.	Number of Shares	49603520	49603520
2.	Profit contribution for Basic EPS (₹ In Lakhs)	2192.97	(2300.64)
3.	Basic Earning Per Share	4.42	(4.64)
4.	Diluted Earning Per Share	4.42	(4.64)
5.	Nominal Value Per Share	1.00	1.00

## 34. RELATED PARTY TRANSACTIONS

In accordance with the Indian Accounting Standard (IndAS) 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

Smt. Purnima Mehta, Executive Director

Shri Manoj Fadnis, Independent Director (Upto 31<sup>st</sup> March, 2024)

Shri Chandrasekharan Bhaskar, Independent Director

Shri Rakesh Kalra, Independent Director (Upto 31<sup>st</sup> March, 2024)

Shri Hitendra Mehta, Independent Director

Smt. Vinita Puntambekar, Chief Financial Officer (appointed w.e.f. 1<sup>st</sup> February, 2022 and ceased w.e.f. 3<sup>rd</sup> February, 2023)

Mr. Rajesh Sisodia, Chief Financial Officer (appointed w.e.f. 3<sup>rd</sup> February, 2023)

Ms. Apeksha Baisakhiya, Company Secretary (Ceased w.e.f. 4<sup>th</sup> April, 2022)

Mr. Pankaj Baheti, Company Secretary (appointed w.e.f. 4<sup>th</sup> April, 2022 and ceased w.e.f. 22<sup>nd</sup> March, 2023)

Mr. Tanuj Sethi, Company Secretary (appointed w.e.f. 22<sup>nd</sup> March, 2023)



# Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

## 34. RELATED PARTY TRANSACTIONS (Contd.)

### ii. Relatives of Key Management Personnel

Shri Saurabh Singh Mehta (Son of Chairman & Managing Director / Executive Director)

Smt. Devki Hirawat (Daughter of Chairman & Managing Director/ Executive Director)

Smt. Nidhi Mehta (Daughter-in-law of Chairman & Managing Director/Executive Director)

### iii. Subsidiary Company

1) Kriti Auto & Engineering Plastics Pvt. Ltd (Wholly owned Subsidiary Company)

iv. Companies/entities under the control of Key Management Personnel

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

2) Kriti Nutrients Ltd. (Fellow Subsidiary)

3) Chetak Builders Pvt. Ltd. (Fellow Subsidiary) (Merged with Sakam Trading Pvt. Ltd. by order of Hon'ble NCLT, Indore Bench dated 19<sup>th</sup> October, 2023)

4) Sakam Charitable Trust, Indore

### v. Associate Company

1) F.P. Elite Energy Private Limited (w.e.f. 7<sup>th</sup> October 2022)

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

(₹ In Lakhs)

Sr. No.	Nature of Transaction	Key Management Personnel	Relatives of Key Management Personnel	Companies/entities under the control of Key Management Personnel	Associate Company
1.	DEPB License purchased	NIL	NIL	7.51	NIL
		(NIL)	(NIL)	(326.31)	(NIL)
2.	Sale of Consumable Items	NIL	NIL	4.02	NIL
		(NIL)	(NIL)	(0.36)	(NIL)
3	Sale of Capital Goods	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)
4	Purchase of Consumable Items	NIL	NIL	0.28	102.83
		(NIL)	(NIL)	(25.93)	(NIL)
5	Purchase of Capital Goods	NIL	NIL	18.93	NIL
		(NIL)	(NIL)	(1.85)	(NIL)
6	Remuneration	182.91	11.22	NIL	NIL
		(185.16)	(7.02)	(NIL)	(NIL)
7	Rent Paid	0.42	NIL	NIL	NIL
		(0.40)	(NIL)	(NIL)	(NIL)
8	Unsecured Loan				
	Repaid Back	460	40	5077	NIL
		(80)	(27)	(6943)	(NIL)
	Taken	205	50	5015	NIL
		(42)	(NIL)	(7040)	(NIL)
	Closing Balance	983	164.50	2435	NIL
		(1238)	(154.50)	(2497)	(NIL)
9	Interest Given	91.91	13.37	208.52	NIL
		(100.72)	(16.18)	(172.35)	(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 as on 31.03.2024

### 35. AUDITOR'S REMUNERATION

(₹ In Lakhs)

Sr No.	Nature of Transaction	31.03.2024	31.03.2023
a.	Statutory Audit/ Tax Audit Fees	5.25	5.25
b.	Taxation & Other matters including Legal & Professional Expenses.	1.22	0.62
	<b>Total</b>	<b>6.47</b>	<b>5.87</b>

Figures are exclusive of taxes.

### 36. Statement on Going Concern of Wholly Owned Subsidiary (WOS)

The financial statements of WOS have not been prepared on going concern basis in accordance with Ind AS 105.

### 37. Investment in Associates

The company has invested 788141 shares of ₹10 each (34.78% stake) for ₹78,81,410 of FP Elite Energy Private Limited. The company has recognized its share in the profit /loss of Associate Company as " Share in Net Profit /(Loss) of Associate" in consolidated Financial statements.

### 38. Government Grants

Madhya Pradesh Industrial Development Corporation, a Government of Madhya Pradesh Undertaking, has approved a sum of ₹19.15 Crores (Rupees Nineteen Crores and Fifteen Lakhs only) as Investment Promotion Assistance out of the eligible investment of ₹49.02 Crores (Rupees Forty Nine Crores and Two Lakhs only). The total assistance is to be spread over a period of seven years, subject to compliance with the terms and conditions. Out of the above sum of ₹19.15 Crores, the State Level Empowered Committee (SLEC) has sanctioned a sum of ₹ Nil [previous year ₹2.41 Crores] as Investment Promotion Assistance (IPA) under the Investment Promotion Assistance (IPA) Scheme of Government of Madhya Pradesh. The same has been reduced from the carrying cost of the eligible assets and such reduced cost of the assets are depreciated over their useful lives.

### 39. Other Disclosures

- i) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder
- ii) The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- iii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956
- iv) The Company has complied the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- v) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the current as well as the previous year.
- vi) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
- vii) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
- viii) The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

## Notes Forming Part of the Balance Sheet and Statement of Profit & Loss Account as on 31.03.2024

- ix) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year as well as in the previous financial year.
- x) The Company has not made any contribution to any political party during the current financial year as well as in the previous financial year.
- xi) The Company does not have any benami property as defined under Benami Transaction (Prohibition) Act 1988.
- xii) All the immovable property held by the company are in the name of the company.

### 40. APPROVAL OF FINANCIAL STATEMENTS

The financial statements are approved by the Board of Directors in their meeting held on 03.05.2024.

**As per our Report of even date attached**

**For Rakesh Kumar & Associates**

Chartered Accountants

F.R.N. 002150C

**For and on behalf of the Board of Directors**

**Puneet Gupta**

*Partner*

M.No. 413168

**Shiv Singh Mehta**

*Chairman and Managing Director*

DIN 00023523

**Rajesh Sisodia**

*Chief Financial officer*

Place: Indore

Date:- 3<sup>rd</sup> May, 2024

**Purnima Mehta**

*Executive Director*

DIN 00023632

**Tanuj Sethi**

*Company Secretary*

M.No. A69680

# Corporate Information

## Board of Directors

**Shri Shiv Singh Mehta**

Chairman & Managing Director

**Smt. Purnima Mehta**

Executive Director

**Shri Saurabh Singh Mehta**

Director

**Shri Rakesh Kalra**

Independent Director

(ceased w.e.f. close of working hour of 31.03.2024)

**CA Manoj Fadnis**

Independent Director

(ceased w.e.f. close of working hour of 31.03.2024)

**Shri Chandrasekharan Bhaskar**

Independent Director

**Shri Hitendra Mehta**

Independent Director

**Shri Siddharth Sethi**

Independent Director

(appointed w.e.f. 01.04.2024)

## Auditors

Rakesh Kumar & Associates

Chartered Accountants

"Navaratan", 128-R, Khatiwala Tank,

Indore – 452 004 (M.P.)

## Secretarial Auditors

Ajit Jain & Company

Company Secretaries

'PREM VILLA' 84, Kailash Park Colony

Near Geeta Bhawan

INDORE - 452 001 (M.P.)

## Bankers

State Bank of India

HDFC Bank Ltd.

IDFC First Bank Ltd

IndusInd Bank Ltd.

Tata Capital Ltd.

## Company Secretary

Mr. Tanuj Sethi

## Registered Office

Mehta Chambers, 34, Siyaganj

Indore – 452 007 (M.P.)

## Corporate Support Center

8th floor, Plot no.10, PSP, IDA Scheme no. 78-II,

Vijay Nagar Indore 452010 MP IN

## Share Transfer Agent

M/s Ankit Consultancy Pvt. Ltd. 60, Electronic

Complex, Pardeshipura, Indore – 452 010 (M.P.)



# NOTICE

NOTICE is hereby given that the **34<sup>th</sup> Annual General Meeting** of the Members of **Kriti Industries (India) Limited ("KIIL")** will be held on **Tuesday the 18<sup>th</sup> June, 2024 at 3:00 P.M.** through Video Conferencing ("VC") or Other Audio Video Means ("OAVM") for which purposes the corporate office of the company situated at **8<sup>th</sup> Floor, Brilliant Sapphire Plot No.10, PSP, IDA, Scheme No. 78, Part II, Indore (M.P.) 452010** shall be deemed as the venue for the Meeting and the proceedings of the 34<sup>th</sup> Annual General Meeting shall be deemed to be made thereat, to transact the following businesses:

## ORDINARY BUSINESSES:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements containing the Balance Sheet as at 31<sup>st</sup> March, 2024, the Statement of Profit & Loss, Statement of Cash Flow, Change in Equity and notes thereto of the Company for the Financial Year ended 31<sup>st</sup> March 2024 and the reports of the Board of directors and Auditors thereon as on that date.
2. To consider and declare Dividend on the 4,96,03,520 Equity Shares of Re.1/- each for the Financial Year ended 31<sup>st</sup> March, 2024.
3. To appoint a director in place of **Mrs. Purnima Mehta (DIN 00023632)** who retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment.

## SPECIAL BUSINESSES:

4. To ratify the remuneration payable to the Cost Auditors of the company for the financial year 2024-25:

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 ₹35,000 (Rupees Thirty Five Thousand Only), plus applicable taxes and reimbursement of out of pocket expenses at actual to **M/s Dhananjay V. Joshi & Associates, Cost Accountants (FRN: 000030)** appointed by the Board on the recommendation of the Audit Committee, as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31<sup>st</sup> March, 2025;

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

5. To approve the transactions/contracts/arrangements with related parties under regulation 23 of the SEBI (LODR) Regulations, 2015:

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

"RESOLVED THAT pursuant to the provisions of Regulation 23 of the SEBI (LODR) Regulations, 2015 ("SEBI Listing Regulations") and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 read with the provisions of section 188 and 185 of the Companies Act, 2013 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Company's policy on Related Party Transactions, consent of the members of the company be and is hereby accorded to enter into transactions/ contracts / arrangement, in the ordinary course of its business and on arm's length basis, for purchase, sale or deal in the products, goods, stock in trade, Transfer of Resources including receiving/ providing loans and advances or such other transactions, on such terms and conditions as may be mutually agreed upon between the company and all related party for an amount upto **₹100.00 Crores (Rupees One Hundred Crore only)** in each financial year;

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

6. To confirm the appointment of **Mr. Siddharth Sethi (DIN: 01548305)** as an Independent Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2015 read with Schedule IV of the Companies Act, 2013 and the provisions of the SEBI (LODR) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), **Mr. Siddharth Sethi (DIN: 01548305)**, who was appointed by the Board as an Additional

Director under the category of Independent Director w.e.f. 1<sup>st</sup> April, 2024, in terms of Section 161 of the Companies Act, 2013 and Article of Association of the Company and a declaration has been received from him confirming that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, be and is hereby appointed as an Independent Director of the Company to hold office for a first term of 5 (Five) Consecutive Years w.e.f. 1<sup>st</sup> April, 2024 till 31<sup>st</sup> March, 2029 and his office shall not be liable to retire by rotation.

7. **To confirm the Re-Appointment of Mrs. Purnima Mehta (DIN: 00023632) as Whole Time Director of the Company:**

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

**"RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors and subject to the provisions of sections 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Articles of Association of the company, consent of the members be and is hereby accorded to re-appointment of Mrs. Purnima Mehta (DIN:00023632) as the Whole-time Director of the Company for a term of 3(three) years with effect from 1<sup>st</sup> July, 2025 to 30<sup>th</sup> June, 2028 on such remuneration and terms and conditions as are annexed herewith as explanatory statement.

**FURTHER RESOLVED THAT** in the event of there being any loss or inadequacy of profit for any financial year the remuneration payable to Mrs. Purnima Mehta shall be minimum remuneration payable by the Company.

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

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

Date: 3<sup>rd</sup> May, 2024  
Place: Indore

By order of the Board

**Kriti Industries (India) Limited**  
CIN: L25206MP1990PLC005732  
Registered Office:  
Mehta Chambers, 34 Siyaganj,  
Indore-452007

**Tanuj Sethi**  
Company Secretary  
ACS 69680

## NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by "COVID-19", General Circular Nos. 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 in relation to "Clarification on holding of Annual General Meeting ("AGM") through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. Pursuant to the MCA Circulars issued by the MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders holding 2% or more share capital, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Secretarial Auditors, Scrutinizers, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (LODR) Regulations, 2015 (as amended), and the MCA Circulars issued by the MCA 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. In accordance with the aforesaid MCA Circulars and Master Circular No. SEBI/HO/CFD/POD2/ CIR/P/2023/120 dated 11<sup>th</sup> July, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice calling the AGM alongwith complete Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories and has also been uploaded on the website of the Company. The Notice alongwith Annual Report can also be accessed from the websites of the Stock Exchanges i.e. BSE Ltd. at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com), and the 34<sup>th</sup> 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). 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.
7. Pursuant to Finance Act, 2020, dividend income if any declared by the Company will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company shall be required to deduct tax at source from dividend paid to shareholders at the prescribe date. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Ankit Consultancy Private Limited, the Share Transfer Agent (in the case of shares held in physical mode) and to the concerned depositories. (in case of shares held in demat mode).  
  
A Resident individual shareholder with PAN and who's not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [cs1@kritiindia.com](mailto:cs1@kritiindia.com) by 11:59 p.m. IST on or before 12<sup>th</sup> June, 2024. Shareholders are requested to note that in case if their PAN is not registered, the taxes will be deducted at a higher rate of 20%.  
  
Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial



Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to cs1@kritiindia.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on or before 12<sup>th</sup> June, 2024.

1. This AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars issued by MCA from time to time.
2. The recorded transcript of the forthcoming 34<sup>th</sup>AGM shall also be made available on the website of the Company - <https://kritiindustries.com/> as soon as possible after the Meeting is over.
3. 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.
4. 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.
5. Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 12<sup>th</sup> June, 2024 to Tuesday, 18<sup>th</sup> June, 2024** (both days inclusive) for the purposes of the 34<sup>th</sup>AGM and the records of the beneficiaries of the CDSL and NSDL for participation in dividend if any as may declared by the members of the Company.

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 **11<sup>th</sup> June, 2024, (Tuesday)**.

8. CS Ishan Jain, Practicing Company Secretary and Proprietor of M/s. Ishan Jain & Co., Company Secretaries, Indore (F.R.No. S2021MP802300, M. No. FCS 9978 & C.P. No. 13032) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the e-voting at the 34<sup>th</sup>AGM and remote e-voting process in a fair and transparent manner.
9. 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 (Seven) days before the date of the Meeting at its email ID cs1@kritiindia.com so that the information required may be made available at the Meeting.
10. The Members are requested to:
  - a) - Intimate changes, if any, in their registered addresses immediately.

b) - Quote their ledger folio number in all their correspondence.

c) - Send their Email address to us for prompt communication and update the same with their D.P. to receive softcopy of the Annual Report of the Company

11. Members are requested to notify immediately any change in their address and also intimate their active E-Mail ID to their respective Depository Participants (DPs) in case the shares are held in demat form and in respect of shares held in physical form to the Registrar and Share Transfer Agent Ankit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) having email Id investor@ankitonline.com, and compliance@ankitonline.com to receive the soft copy of all communication and notice of the meetings etc., of the Company.
12. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Board Report.
13. 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 34<sup>th</sup>AGM. Members seeking to inspect such documents can send an email to cs1@kritiindia.com.
14. 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 has not been claimed or 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 <https://kritiindustries.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.
15. As per SEBI Circular dated 20<sup>th</sup> April, 2018 such shareholders holding shares of the company in the physical form are required to provide details of the Income Tax Permanent Account No. and Bank Account Details to the Share Transfer Agent of the Company, Ankit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) having email Id investor@ankitonline.com and compliance@ankitonline.com.
16. SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their depository participants. Members holding shares in physical

form are requested to submit their PAN details to the company's RTA.

17. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number ('PAN'), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,

- **For shares held in electronic form:** to their Depository Participant only and not to the Company's RTA. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its RTA provide efficient and better service to the Members.
- **For shares held in physical form:** to the Company's RTA in prescribed Form ISR -1 and other forms pursuant to SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 as per instructions mentioned in the form. The said form can be downloaded from the Members' Reference available on the Company's website <https://kritiindustries.com/> under Standard documents for Investors and is also available on the website of the RTA.

18. Members may please note that SEBI, vide its master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023, by rescinding earlier circulars, has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz., Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; subdivision/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. The said form can be downloaded from the Standard documents for Investors available on the Company's website <https://kritiindustries.com/investor-desk/standard-documents-for-investor/> and is also available on the website of the RTA i.e. <https://www.ankitonline.com/documents.aspx>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

19. SEBI, vide its master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023, by rescinding earlier circulars, has mandated Members holding shares in physical form to submit PAN, nomination, contact details, bank account details and specimen signature in specified forms. Members may access <https://kritiindustries.com/investor-desk/standard-documents-for-investor/> or <https://www.ankitonline.com/documents.aspx> for Form ISR-1 to register PAN/ email id/bank details/other KYC details, Form ISR-2 to update signature and Form ISR-3 for declaration to opt out. Members may make service requests by

submitting duly filled and signed Form ISR-4 & ISR-5, the format of which is available on the Company's website and on the website of the Company's Registrar and Transfer Agent.

20. In case a holder of physical securities whose folio do not have PAN, nomination, contact details, bank account details and specimen signature updated shall be eligible to lodge grievance or avail any service request from the RTA only after furnishing PAN, KYC details and Nomination and for any payment including dividend, interest or redemption payment in respect of such folios, only through electronic mode with effect from April 01, 2024.

In compliance with SEBI guidelines, the Company sent communications intimating about the submission of above details to all the Members holding shares in physical form to the RTA/Company.

21. Dispute Resolution Mechanism at Stock Exchanges- SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 dated May 30, 2022, provided an option for arbitration as a Dispute Resolution Mechanism for investors. As per this circular, investors can opt for arbitration with Stock Exchanges in case of any dispute against the Company or its Registrar and Transfer Agent on delay or default in processing any investor services related request.

In compliance with SEBI guidelines, the Company had sent communication intimating about the said Dispute Resolution Mechanism to all the Members holding shares in physical form.

22. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website <https://kritiindustries.com/investor-desk/standard-documents-for-investor/>

23. SEBI vide its notification dated January 24, 2022 has amended Regulation 40 of the SEBI Listing Regulations and has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

24. 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 31.03.2024 (₹)
2016-17	12/09/2017	19/10/2024	298100.25
2017-18	31/07/2018	06/09/2025	194869.05
2018-19	14/08/2019	20/09/2026	165771.30
2019-20	08/08/2020	15/09/2027	157660.15
2020-21	07/08/2021	13/09/2028	174969.00
2021-22	17/08/2022	23/09/2029	178389.00

## 25. Voting through electronic means

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

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

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

- The voting period begins on **15<sup>th</sup> June, 2024 (Saturday)** and ends on **17<sup>th</sup> June, 2024, (Monday)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 11th June, 2024 (Tuesday) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- Pursuant to Master Circular No. SEBI/HO/CFD/POD2/CIR/P/2023/120 dated 11th July, 2023, under Regulation 44 of Securities and Exchange Board of India (LODR) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

- In terms of Master Circular No. SEBI/HO/CFD/POD2/CIR/P/2023/120 dated 11th July, 2023, e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022 4886 7000 and 022- 2499 7000

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

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

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on "Shareholders" module.
3. Now enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

6. If you are a first-time user follow the steps given below:

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

vi. After entering these details appropriately, click on "SUBMIT" tab.

vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

ix. Click on the EVSN for the relevant **Kriti Industries (India) Limited** on which you choose to vote.

x. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xii. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be

displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page..
- xv. If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- xvii. **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
  - a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - d. The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - e. It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - f. Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs1@kritiindia.com](mailto:cs1@kritiindia.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**Instructions for Shareholders attending the AGM through VC/OAVM & E-Voting during meeting are as under:**

1. The procedure for attending meeting & e-Voting on the day of the 34thAGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be

displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 (Seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs1@kritiindia.com](mailto:cs1@kritiindia.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7(Seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. However, the company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-

attested scanned copy of Aadhar Card) by email to **Company/RTA email id.**

- For Demat shareholders - Please update your email id & mobile no. with your respective **Depository Participant (DP)**
- For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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

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

- 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).

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. **11<sup>th</sup> June, 2024 (Tuesday)**, may obtain the login ID and password by sending a request at [investor@ankitonline.com](mailto:investor@ankitonline.com)

- 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. 11<sup>th</sup> June, 2024 (Tuesday) only shall be entitled to avail the facility of remote e-voting as well as e- voting at the AGM.
- 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.
- 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 - <https://kritiindustries.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. and National Stock Exchange of India Limited.
- For any other queries relating to the shares of the Company, you may contact the Share Transfer Agents at the following address:

**M/s. Ankit Consultancy Pvt. Ltd.**

60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010

Tel: 0731-4281333, 4065797/99

E-mail: [investor@ankitonline.com](mailto:investor@ankitonline.com)

- As the 34<sup>th</sup>AGM is being held through VC, the route map is not annexed to this Notice.

**DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

Name of the Director	Mrs. Purnima Mehta	Mr. Siddharth Sethi
DIN	00023632	01548305
Date of Birth	25.05.1960	13.02.1975
Date of Appointment	01.10.1999	01.04.2024
Qualification	B.A. (Hons), PGDBM	BE (Electrical), MBA
Expertise in specific area	Accounts, Purchase, HR and Administration	Accounts, Purchase, HR and Administration
List of Outside Directorship held	- Sakam Trading Private Limited - Kriti Nutrients Limited	- Infosignz Technologies Pvt. Ltd. - Infobeans Technologies Limited - Infobeans Cloudtech Limited - IIM Indore Alumni Association - Infobeans IT City Private Limited - Gullybuy Software Private Limited
Chairman / Member of the Committees of the Board of Directors of the Company	Chairman:-Nil Member:- 1. Audit Committee 2. Stakeholder Relationship Committee 3. Corporate Social Responsibility Committee	Chairman:-Nil Member:- 1. Audit Committee 2. Nomination and Remuneration Committee 3. Corporate Social Responsibility Committee
No. of Equity Shares held	2,97,587 (0.60%)	0 (0.00%)

Name of the Director	Mrs. Purnima Mehta	Mr. Siddharth Sethi
Brief Resume	<p>Mrs. Purnima Mehta is one of the key founder and promoter of the company. Mrs. Mehta is PGDPM and bachelor in Arts (Hons) in Economics and holding a rich experience in trade and industry. Mrs. Mehta has a vast knowledge and experience in Accounts &amp; Finance, Purchase, IT, HR and Administration.</p> <p>She is also holding the membership in Audit Committee, Investment and Finance Committee, Stakeholders Relationship Committee and CSR Committee.</p>	<p>Shri Siddharth Sethi, born in 1975 and having BE (Electrical) from SGSIT, Indore and MBA from IIM, Indore, is an entrepreneur, with 25 years of experience in software engineering. Helped found 4 companies in high technology products and services. Co founder and currently MD of InfoBeans Technologies Ltd. founded in 2001/ Helped take the company public on the NSE in May 2017. Keen interest in computer and human interaction design with focus on software. Active investor in new age technology companies. A keen worker on the social front, helping out in impactful social ventures.</p>



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

### Item No. 4:

Upon the recommendation of the Audit Committee, Board of directors of your Company have appointed M/s Dhananjay V. Joshi & Associates, Cost Accountants (FRN: 000030), Indore as Cost Auditors of the Company for the year 2024-25 on the remuneration of ₹35000/-, (₹ Thirty Five Thousand only) plus applicable taxes and reimbursement of out of pocket expenses at actual. The Cost Auditor has given his consent and eligibility for appointment as Cost Auditor.

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 ensuing 34<sup>th</sup> AGM.

None of the Directors, Key Managerial Personal or their relatives are concerned or interested financial or otherwise in the aforesaid resolution.

The Board of directors recommend to pass necessary resolution as set out in Item No. 4 of the Notice by way of an **Ordinary Resolution**.

### Item No. 5:

Details of the proposed RPTs between the Company and Kriti Nutrients Limited ("KNL") including the information required to be disclosed in the Explanatory Statement pursuant to the Master Circular No. SEBI/HO/CFD/POD2/ CIR/P/2023/120 dated 11th July, 2023, are as follows:

S. No	Description	Details of proposed RPTs between the Company and Kriti Nutrients Limited (KNL)
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs	
	a. Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise).	The Company ("KIIL") and Kriti Nutrients Limited ("KNL") are under the control of common promoters directors.  KNL is engaged in the business of Manufacture and crushing of the Soya Seeds, Soyabean Refined Oils, etc.  KNL is a Related Party of the Company, as on the date of this Notice (being fellow subsidiary of Kriti Industries (India) Limited).
	b. Type, material terms, monetary value and particulars of the proposed RPTs.	The Company and KNL have entered into/proposed to enter into the transactions w.r.t. Transfer of Resources, purchase, sale or other services for an aggregate value not exceeding ₹100.00 crores (Rupees One Hundred Crores) in one financial year.
	c. Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs.	The proposed Transaction may be about 11.54% of the audited Consolidated turnover of the Company as on 31.03.2024.
2.	Justification for the proposed RPTs.	The entered/proposed to enter related party transactions will help the KIIL for smooth functioning of the regular and day to day business transactions and w.r.t. transfer of resources it will help to maintain the liquidity levels of KIIL with low cost of interest as compared to Banks.
3.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary.	
	a. Details of the source of funds in connection with the proposed transaction.	Net Own funds /Internal accruals and liquidity of the KNL.
	b. Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: - Nature of indebtedness, - Cost of funds and - Tenure.	Not applicable.

S. No	Description	Details of proposed RPTs between the Company and Kriti Nutrients Limited (KNL)
	c. Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security.	Inter-corporate Deposits within the overall limit of ₹100.00 Crores. <ul style="list-style-type: none"> <li>Interest rate: State Bank of India CC Rate of interest Minus (-) 50 Basis Point for loan taken by KNL if any subject to minimum of rate of interest of State Bank of India for CC to KNL;</li> <li>Interest rate: State Bank of India CC Rate of interest Plus (+) 50 Basis Point for loan given by KNL if any;</li> <li>Repayment Schedule/Tenure: On demand</li> <li>Nature: short/long term</li> <li>The above inter-corporate loans shall be unsecured.</li> </ul>
	d. The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	To meet working capital requirements.
4.	Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.	The interest on the inter company loan transaction if any shall be not less than as the rate prescribed u/s 186 of the Companies Act, 2013.  The transaction related to sale or purchase or supply of services if any shall on the arms length basis hence the said transaction does not require any valuation or other external report.
5.	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any, and the nature of their relationship.	Mr. Shiv Singh Mehta, Chairman & Managing Director, Mrs. Purnima Mehta Whole-time Director and Shri Saurabh Singh Mehta, Director of the Company are also Director(s) on the Board of KNL. Further Ms. Devki Mehta and Ms. Nidhi Mehta being the relative of the aforesaid Director(s)/Promoter(s).  However, none of the aforesaid related persons financially interested however, they may be considered as interested otherwise to the extent of their shareholding in the Company and KNL. None of the other KMPs or their relative are concerned or interested in any manner.
6.	Any other information that may be relevant.	N.A.

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

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

### Item No. 6

The Nomination and Remuneration Committee has recommended and the Board of Directors at their meeting held on March 28, 2024 had appointed Shri Siddharth Sethi (DIN 01548305) as an Additional Director under the category of the Non-Executive Independent Director of the Company w.e.f. 1<sup>st</sup> April, 2024 pursuant to Section 161 of the Companies Act, 2013; subject to the approval of Members at General Meeting.

Aforesaid independent director proposed for appointment is not disqualified to act as a Director in terms of section 164 of the Act and other applicable laws and has given his consent to act as a Director. The Company has also

received declaration from him stating that he meets the criteria of independence as prescribed under section 149(6) of the Act and under the SEBI (LODR) Regulations, 2015. In the opinion of the Board, he fulfils the criteria of independency and the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (LODR) Regulation, 2015 and further he is also registered under the Independent Directors Databank maintained by IICA.

The resolution set out in Item No. 6 seeks the approval of members for the appointment of Shri Siddharth Sethi (DIN 01548305) as an Independent Director of the Company for a first term of 5 (five) consecutive years w.e.f. 1<sup>st</sup> April, 2024 to 31<sup>st</sup> March, 2029; pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. His office shall not be liable to retire by rotation. The brief profile of Shri Siddharth Sethi (DIN 01548305) is given in the Notice of AGM with the details of the directors seeking appointment/re-appointment.

Copy of draft letter of appointment setting out the terms and conditions of the appointment is available for

inspection by the members at the Registered Office and on the website of the Company.

The aforesaid director may be considered as the financially interested in the resolution to the extent of the sitting fees as may be paid to him for attending the Board/committee meeting. Except that none of the Directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Special Resolution. Shri Siddharth Sethi (DIN 01548305) does not hold any shares in the Company.

The Board of directors recommend to pass necessary resolution as set out in Item No. 6 of the Notice by way of the **Special Resolution**.

### Item No.7

The existing term of Mrs. Purnima Mehta as Whole-time Director is expiring on 30th June, 2025. Upon the recommendation of the Nomination and Remuneration Committee of the board, the Board of Directors at its meeting held on 3rd May, 2024 passed the resolution for her re-appointment as the Whole-time Director w.e.f. 1st July, 2025 to 30th June, 2028 for a further period of the 3 (three) years subject to approval of members in ensuing 34th Annual General Meeting of the company on the terms and conditions as mentioned below:

- a. Salary : ₹400000/-per month and the annual increment as may be determined by the NRC and Board
- b. Perquisites and allowances: 12.50% of the gross salary payable per month

In addition to the aforesaid salary, perks and allowances, the whole-time director shall also be eligible to receive incentives/ commission subject to the limit of (Including the salary and perks and allowances) maximum amount of 5% of the net profits of the Company in the financial year as determined under section 197 and 198 of the Companies Act, 2013 which shall be paid at the end of the Financial Year.

Further, the remuneration as may be payable may be revised (including approval of annual increment, re-grouping, increase, decrease, with hold the salary etc. as the case may be from time to time as may be recommended by the Nomination and Remuneration Committee and the Board within the maximum permissible limits of 5% of the net profits and in case of inadequate profits within the limits as prescribed under Schedule V of the Companies Act, 2013 (subject to a maximum ceiling of ₹240.00 Lakhs) per annum whichever is higher without seeking any requirement for approval of the members of the Company.

The notice and explanatory statement may be treated as an abstract of the terms and conditions of appointment and remuneration payable to Smt. Punima Mehta, as required under section 102 of the Companies Act, 2013

None of the directors except Smt. Purnima Mehta, being the appointee interested financially and Mr. Shiv Singh Mehta and Mr. Saurabh Mehta, being her relatives are concerned or interested otherwise in the resolution. Smt. Purnima Mehta is falling under the promoter group and also holding 2,97,587 equity shares of ₹1/- each consisting of 0.60% of the total paid up capital of the Company.

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

### I. General Information:

S. No.	Particulars	Smt. Purnima Mehta, Whole-time Director															
(1)	Nature of industry	Manufacturing of Plastic Products and pipes etc.															
(2)	Date or expected date of commencement of commercial production	Already in commercial operations since long															
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.															
(4)	Financial performance based on given indicators	The Company has achieved the following financial during the year 2022-23 and 2023-24 (₹ In Lakhs) <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Parameter</th> <th>2022-23</th> <th>2023-24</th> </tr> </thead> <tbody> <tr> <td>Turnover/ Income</td> <td>73247.39</td> <td>86662.61</td> </tr> <tr> <td>Profit/(Loss) Before Tax</td> <td>(3070.42)</td> <td>2989.56</td> </tr> <tr> <td>Profit/(Loss) after Tax</td> <td>(2340.84)</td> <td>2141.47</td> </tr> <tr> <td>*Dividend</td> <td></td> <td>20%</td> </tr> </tbody> </table>	Parameter	2022-23	2023-24	Turnover/ Income	73247.39	86662.61	Profit/(Loss) Before Tax	(3070.42)	2989.56	Profit/(Loss) after Tax	(2340.84)	2141.47	*Dividend		20%
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*Dividend		20%															
(5)	Foreign investments or collaborations, if any.	Nil															

\*as recommended by the Board subject to the approval of members at the 34<sup>th</sup> AGM

**II. Information about the appointee:**

S. No.	Particulars	Smt. Purnima Mehta, Whole-time Director
(1)	Background details	As stated above
(2)	Past remuneration	During the year 2023-24, Mrs. Purnima Mehta was paid salary of ₹59.84 Lakhs.
(3)	Recognition or awards	N.A.
(4)	Job profile and his suitability	She is Whole Time Director and discharging her duties under the superintendence, control and direction of Board of Directors, She also performs such other duties and exercise such powers as have been or may be entrusted to or conferred upon her by the Board from time to time. She has been associated with the business of the Company since inception. Considering her background and experience, she is eminently suitable to continue to hold the position of Whole Time Director of the Company.
(5)	Remuneration proposed	As stated above, subject to maximum of ₹240.00 Lakhs per annum
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed remuneration is in line with remuneration payable to the Directorial personnel holding similar stature/position in the Industry.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Besides remuneration, Smt. Purnima Mehta holds 2,97,587 (0.60%) of the Equity Shares of the Company. She is spouse of Mr. Shiv Singh Mehta, Chairman & Managing Director and Mother of Mr. Saurabh Singh Mehta, Director of the Company.

**III. Other information:**

S. No.	Particulars	Smt. Purnima Mehta, Whole-time Director
(1)	Reasons of loss or inadequate profits	Not Applicable, since the Company reported a profit in the current year, and has been consistently earning profits since inception except in FY 2022-23, and has a strong net worth and effective capital.
(2)	Steps taken or proposed to be taken for improvement	The Company is continuing making efforts for improvement of the financial results and create worth for the stakeholders and investors of the company.
(3)	Expected increase in productivity and profits in measurable terms	N.A.

Your Board of directors recommend to pass the special resolution as set out in the Item No. 7 of the notice

Date: 3<sup>rd</sup> May, 2024

Place: Indore

Kriti Industries (India) Limited  
CIN: L25206MP1990PLC005732  
Registered Office:  
Mehta Chambers, 34 Siyaganj,  
Indore-452007

By order of the Board

Tanuj Sethi  
Company Secretary  
ACS 69680