



FINANCIAL STATISTICS PROGRESS THROUGH THE YEARS

(RS. IN LACS)

PARTICULARS	1994-95	1995-96	1996-97
CAPITAL	488.73	487.54	487.54
RESERVES	681.17	860.42	1054.35
NET WORTH	1112.80	1297.85	1498.46
GROSS BLOCK	1378.62	1893.90	2445.40
TOTAL INCOME	9098.66	12440.09	11993.02
TOTAL EXPENDITURE	8883.34	12121.29	11577.02
PROFIT BEFORE DEPRECIATION	215.31	318.80	416.00
NET PROFIT	165.22	236.21	252.43
DIVIDEND	48.75	58.51	58.51
BOOK VALUE PER EQUITY SHARE (RS.)	23.93	27.65	30.73
EARNING PER EQUITY SHARE (RS.)	3.38	4.84	5.18
DIVIDEND PER EQUITY SHARE (RS.)	1.00	1.20	1.20
DEBT EQUITY RATIO	0.81 : 1	0.89 : 1	0.96 : 1
RETURN ON NET WORTH	14.85%	18.20%	16.84%
CURRENT RATIO	1.50	1.51	1.75
TOTAL LIABILITIES TO NET WORTH	1.74	1.74	1.64

INDUSTRIES (INDIA) LTD.

BOARD OF DIRECTORS :	Shri Bhanubhai Patel	-	Chairman
	Shri Shiv Singh Mehta	-	Managing Director
	Shri Swatantra Singh Kothari	-	Director
	Shri Pravin Kasliwal	-	Director
	Shri Sajjan Singh Mehta	-	Director
	Shri Shreenivasan Ramji	-	Nominee Director, (IDBI)

AUDITORS : M/S. Subhash Deshpande & Company
Chartered Accountants,
City Plaza, M.G. Road,
Indore - 452 001

BANKERS : State Bank of India
State Bank of Indore
State Bank of Travancore

REGISTERED OFFICE : "Mehta Chambers"
& 34, Siyaganj
SHARE DEPARTMENT : Indore - 452 007

ADMINISTRATIVE OFFICE : "Chetak Chambers"
4th Floor,
14, R.N.T. Marg
Indore - 452 001.

CONTENTS	PAGE NO.
Notice	02
Directors' Report	05
Auditors' Report	08
Balance Sheet	10
Profit & Loss Account	11
Notes on Accounts	18
Cash Flow Statement	24

PLASTIC DIVISION : Plot No. 75-86,
Sector II
Industrial Area,
Pithampur
Dist. Dhar (M.P.)

SOLVENT DIVISION : Industrial Area, No. 3
Dewas (M.P.)

7TH ANNUAL GENERAL MEETING
Day Saturday
Date 27th September, 1997.
Time 4.00 P.M.
Venue Hotel Shreemaya,
12; R.N.T. Marg,
Indore - 452 001



NOTICE

NOTICE is hereby given that 7th Annual General Meeting of the Members of **KRITI INDUSTRIES (INDIA) LIMITED**, will be held on Saturday the 27th September, 1997 at 4.00 P.M. at Hotel Shree Maya 12, Ravindra Nath Tagore Marg, Indore 452 001 (M.P.) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date and to receive and consider the reports of Directors and Auditors thereon.
2. To declare Dividend for the Financial Year ended on 31st March, 1997.
3. To appoint a Director in place of Shri Swatantra Singh Kothari, who retires by rotation and, being eligible offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING RESOLUTION AS ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) the Company hereby accords its approval to the reappointment of Shri Shiv Singh Mehta as the Managing Director of the Company for a further period of 5 years w.e.f. 1st October, 1997 on the following terms, conditions and salary, perquisites as set out below:-

Salary :- A salary of Rs. 25000/- per month.

Commission on Net Profit:- 1% of the Net Profit of the Company subject to a ceiling of 50% of the Annual Salary.

Perquisites :- Perquisites shall be restricted to an amount equal to the Annual Salary.

CATEGORY "A" :

- (1) Medical Reimbursement :
Medical expenses incurred by him and his family shall be reimbursed to him subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- (2) Leave Travel Concession :
For Managing Director and his family, once in a year, incurred in accordance with the Rules specified by the Company.
- (3) Club Fees :
Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- (4) Personal Accident Insurance :
The reimbursement of premium not exceeding Rs. 3000/- per annum.
Explanation : For the purpose of Category "A" above family means the spouse, dependent children and dependent parents of the Managing Director.

CATEGORY "B" :**(1) Provident Fund etc. :**

Contribution to Provident Fund and Superannuation Fund or Annuity Fund to be in accordance with the practice, Rules and Regulations in force, from time to time. The Contribution of these funds will not be included in the computation of the ceiling of the perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

(2) Gratuity :

Not exceeding half a Month's salary for every completed year of service.

CATEGORY "C" :

Provision of Car for use on Company's business and telephone at residence. These will not be considered as perquisites. However, personal long distance calls and use of the Car for private purpose shall be billed by the Company to the Managing Director.

The Managing Director so long as he functions as such, shall not be paid any sitting fee for attending the Meetings of the Board of Directors or Committee thereof from the date of his appointment.

"RESOLVED FURTHER THAT duties of Managing Director shall be overall supervision of the functions of the Company, handling day to day affairs of the Company, operating Bank Accounts, signing Cheques, Promissory Notes, Bill of Exchange, Appointment and termination of the employees and to perform all other duties that the Board may delegate to him from time to time.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised with liberty and powers to the Board to increase, reduce, alter or vary the terms of remuneration in such manner as the Board may deem fit within the limits specified in schedule XIII of the said act, as existing or as amended, modified or re-enacted from time to time.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper."

By order of the Board,

Place : Indore
 Date : 16th June, 1997.

SHIV SINGH MEHTA
 Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IN ORDER TO BE VALIED AND EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE AFORESAID MEETING.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No. 5 as set out above is annexed hereto.



3. The Register of Members and Share Transfer Book of the Company will remain closed from Monday the 15th September, 1997 to Saturday the 27th September, 1997 (both days inclusive). The Dividend as recommended by the Directors for the year ended 31st March, 1997, if approved at the meeting will be made payable on or after 31st October, 1997 to those members whose name appear on the Register of Members of the Company on 27th September, 1997.
4. Members desiring any information as regards accounts are requested to write to the Company at least 7 days in advance of the Annual General Meeting so as to enable the management to keep the information ready.
5. Members are requested to notify immediately any change in their address to the Company quoting their folio Numbers.
6. The Members are requested to inform, if not informed earlier, the Company their Bank A/c No. with the name of the Bank and its Branch so that details will be printed on the warrant to minimise risk of fraudulent encashment. This information will however not be treated as Dividend mandate & the warrant will continue to be mailed to you directly at the address Registered with the Company.
7. Members holding Shares of the Company under more than one ledger folio are requested to send to the Company, details of all such folios together with the Share Certificates for consolidating the folios into one. The Share Certificates will be returned to members after making the requisite Endorsement thereon.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

5. The terms of appointment of Shri Shiv Singh Mehta is going to expire on 30th September, 1997. The Board of Directors of the Company feel that under the initiative and directions of Shri Shiv Singh Mehta, the Company has attained its present position in the Industry. His devotion, skill, vision and managements are essential for the growth of the Company. Hence, the Board of Directors of the Company in their meeting held on 16th June, 1997 have reappointed Shri Shiv Singh Mehta as Managing Director of the Company for a further period of 5 years with effect from 1st October, 1997 on the terms and conditions as set out in the resolution, subject to approval of shareholders of the Company.

Your Directors recommended the resolution for approval.

The notice and explanatory statement may also be treated as an abstract of the terms and conditions of appointment and remuneration payable to Shri Shiv Singh Mehta for a period of 5 years w.e.f. 1st October, 1997, as required Under Section 302 of the Companies Act, 1956.

Except Shri Shiv Singh Mehta himself and Shri Sajjan Singh Mehta being relative of Shri Shiv Singh Mehta who may be deemed to be interested, no other Directors are concerned or interested in this resolution.

By order of the Board,

Place : Indore
Date : 16th June, 1997.

SHIV SINGH MEHTA
Managing Director

DIRECTORS' REPORT

The Members,

KRITI INDUSTRIES (INDIA) LIMITED

Your Directors have pleasure in presenting the 7th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 1997.

FINANCIAL RESULTS :

Your Company's performance during the year as compared with that during the previous year is summarised below.

(Rs. In Lacs)

Particulars	Current Year (31.03.1997)	Previous Year (31.03.1996)
Total Income	11993.02	12440.08
Profit before Interest		
Depreciation & Taxes	701.30	579.29
Less: Interest	285.30	260.49
Gross Profit	416.00	318.80
Less: Depreciation	117.72	76.59
Taxation	45.85	6.00
Net Profit	252.43	236.21
Add: Balance B/F	61.46	33.75
Profit available for Appropriation	313.89	269.96
Proposed Dividend	58.51	58.51
Transferred to General Reserve	175.00	150.00
Balance Carried over to Balance sheet	80.38	61.45
	313.89	269.96

PERFORMANCE REVIEW :

In spite of a difficult year for oil division your company achieved satisfactory performance with a Net Profit of Rs. 252.43 lacs against Rs. 236.21 lacs registering an annualised growth of 6.87% this is in spite of increase in depreciation from Rs. 76.59 lacs to Rs. 117.72 lacs.

DIVIDEND :

The Directors are pleased to recommend a Dividend of 12% amounting in aggregate to Rs. 58,50,528.00, subject to approval of the Shareholders, Banks and Financial Institutions, will be paid to those shareholders whose names appear on the "Register of Members" of the Company as on 27th September, 1997.

FUTURE OUTLOOK :**1. REFINED OIL :**

The Company had introduced refined oil in Consumer packs and smaller packs of 1 ltr. under the Brand name of "KRITI". Your company's product is being well accepted and recognised in the market for its quality. Company's sales have been growing satisfactorily. Encouraged with success of consumer packs and smaller packs, we are introducing packs of 5 ltr. very shortly.

2. PIPE DIVISION :

The company's modern PVC Pipe Plant at Pithampur was commissioned successfully and is now in full operation. "KASTA" Brand pipe has good demand and have earned a good name. The Company has also started the production of HDPE Pipe. New totally computerised state of art technology Extrusion line was commissioned during the year. HDPE pipe find large applications including Gas Transportation, Potable Water, Sprinklers, Drip Irrigation & Chemical Transportation.

3. INJECTION MOULDED FITTINGS :

Demand for Company's Pipe Fittings is growing fast. Company has already acquired 86 different types of moulds and plans to introduce 20 more moulds during the year to enable it to exploit full market potential.

FINANCE :

The Company continued to enjoy support of Financial Institution and Banks. All Funds raised from Financial Institutions have been utilised for the specified purposes. Debt Equity Ratio 0.96 : 1 is fairly comfortable and Company is in good position to borrow money for its requirements.



PUBLIC DEPOSITS :

The Company has not accepted any deposits from the public during the period under review.

INSURANCE :

All the properties and insurable interest of the Company including Building, Plant & Machinery and Stocks are adequately insured.

PARTICULARS OF EMPLOYEES :

None of the employees are drawing an aggregate remuneration of Rs. 3.00 lacs or above per annum. The information required under Section 217(2A) of the Companies Act, 1956 is considered as not applicable.

PROJECTIONS V/S PERFORMANCE :

As you will recall, a statement of the projected profitability was given in the public issue prospectus. Pursuant to Clause 43 of the Listing Agreement, a comparison is being given in Annexure "A" hereto and forms part of this report.

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

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings & outgo, in accordance with section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is given in Annexure "B" hereto and forms part of this Report.

DIRECTORS :

During the year under report, Shri S. Ramji had been nominated as Director on the Board of your Company by Industrial Development Bank of India with effect from 23rd October, 1996. Your Directors take this opportunity to welcome Shri S. Ramji on the Board.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Swatantra Singh Kothari retire by rotation at ensuing Annual General Meeting and being eligible offer himself for re-appointment.

AUDITORS :

M/s. Subhash Deshpande & Co. Chartered Accountants, Indore, the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

INDUSTRIAL RELATIONS :

The improved performance is a testimony to the cordial and harmonious relations at all levels of the organisations. The Directors wish to put on record their appreciation of the contribution made by the Company's entire workforce at all levels of operations for the success and progress of the Company.

ACKNOWLEDGEMENT :

Your Directors wish to place on record their sincere thanks and appreciation for the assistance and co-operation received from the Central/State Government, Financial Institutions and the Company's Bankers, Shareholders, Customers and Business Constituents.

FOR & ON BEHALF OF THE BOARD,

Place : Indore

BHANUBHAI PATEL

Date : 16th June, 1997

Chairman

ANNEXURE - "A"

(Rs. In Lacs)

Particulars	Actual 1996-97	Projection 1996-97
Sales	11942.54	12021.00
Cash Profit	376.98	380.00
Net Profit	252.43	296.00
Cash Earning per share (Rs.)	7.73	7.75
Earning per Share (Rs.)	5.18	6.04
Book Value (Rs.)	30.73	34.14

ANNEXURE- "B"

Information as per Section 217(1) (e) read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 and forming part of the Directors' Report for the year ended 31st March, 1997.