

# **10th ANNUAL REPORT**

1999-2000



**KRITI INDUSTRIES (INDIA) LIMITED**

AN ISO 9002 COMPANY



## KRITI'S VISION

**KRITI** shall stand out in whatever it undertakes by achieving excellence in transforming a basic need into a new experience. To realize this vision, we dedicate ourselves to ...

- ◆ Cherish mutually satisfying relationships
- ◆ Encourage creativity and value new thoughts
- ◆ Use appropriate technology
- ◆ Lend a helping hand to society's developmental needs
- ◆ Be honest and forthright in our approach
- ◆ Be in harmony with the natural order.

## FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	1999-2000	1998-99	1997-98	1996-97	1995-96	1994-95
<b>SALES AND EARNINGS :</b>						
Sales & other Income	15306.34	16131.56	13890.87	11964.85	12440.09	9098.66
Expenditure	14515.27	15170.98	13028.49	11263.54	11860.80	8683.12
Operating Profit (PBITD)	791.07	960.58	862.38	701.31	579.29	415.54
Interest	425.39	441.62	387.60	285.31	260.49	200.00
Gross Profit (PBDT)	365.68	518.96	474.78	416.00	318.80	215.32
Depreciation	200.83	182.20	148.55	117.72	76.58	47.09
Profit before Tax (PBT)	164.85	336.76	326.23	298.28	242.21	168.23
Net Profit (PAT)	144.85	287.72	304.23	258.28	236.21	165.23
<b>CAPITAL EMPLOYED IN :</b>						
Gross Fixed Assets	3509.26	3283.95	2683.54	2445.40	1933.99	1417.81
Net Fixed Assets	2708.11	2682.77	2264.55	2174.96	1757.62	1318.02
Investments	23.86	24.11	24.11	13.65	14.32	8.15
Net Current Assets	1388.23	1175.02	1775.14	1552.72	1787.61	1727.83
Miscellaneous Expenditure	22.94	29.77	36.60	43.44	50.27	57.10
<b>SHAREHOLDERS FUNDS &amp; OTHERS :</b>						
Equity Share Capital	487.54	487.54	487.54	487.54	487.54	488.73
Reserves & Surplus	1633.19	1517.59	1294.22	1054.35	860.42	681.17
Dividend	24.38	58.51	58.51	58.51	58.51	48.75
Dividend per Equity Share (Rs.)	0.50	1.20	1.20	1.20	1.20	1.00
Earning per Equity Share (Rs.)	2.97	5.90	6.24	5.30	4.84	3.38
Book Value per Equity Share (Rs.)	43.03	40.52	35.80	30.73	27.65	23.93

## COMPANY'S BRANDS

<b>KASTA</b>	:	Rigid PVC Pipes & Fittings, HDPE Pipes SWR Pipes & Fittings
<b>KRITI</b>	:	Refined Oil & Soya Meal
<b>MIXWELL</b>	:	Lecithin
<b>KRITI</b>	:	HDPE Telecom Duct

<b>BOARD OF DIRECTORS AS ON 28th JUNE, 2000</b>	:	(1) Shri Bhanubhai Patel	- Chairman
		(2) Shri Sajjan Singh Mehta	- Director
		(3) Shri Swatantra Singh Kothari	- Director
		(4) Shri Pravin Kasliwal	- Director
		(5) Smt. Purnima Mehta	- Additional Director
		(6) Shri Sreenivasan Ramji	- Director
			Nominee (IDBI)
		(7) Shri Shiv Singh Mehta	- Managing Director
<b>AUDITORS</b>	:	M/s. Subhash Deshpande & Company	
		Chartered Accountants,	
		City Plaza, M.G.Road,	
		Indore - 452001	
<b>BANKERS</b>	:	(1) State Bank of India	
		(2) State Bank of Indore	
		(3) State Bank of Travancore	
<b>SHARES LISTED</b>	:	(1) M.P.Stock Exchange, Indore	
		(2) Bombay Stock Exchange, Mumbai	
		(3) Ahmedabad Stock Exchange, Ahmedabad	
<b>REGISTERED OFFICE</b>	:	"Mehta Chambers"	
		34, Siyaganj	
		Indore - 452007.	
<b>ADMINISTRATIVE OFFICE</b>	:	"Chetak Chambers"	
<b>&amp;</b>		4th Floor, 14, R.N.T. Marg	
<b>SHARE DEPARTMENT</b>	:	Indore - 452001.	
<b>WORKS :</b>			
<b>AUTO AGRI ACCESSORIES</b>	:	Plot No. 75-86, Sector II	
<b>DIVISION</b>		Industrial Area, Pithampur	
		Dist. Dhar (M.P.)	
<b>TELECOM NETWORKING</b>	:	13/1, Tarpura, 75-86,	
<b>EQUIPMENT COMPONENTS</b>		Sector II, Pithampur	
<b>DIVISION</b>		Dist. Dhar (M.P.)	
<b>SOLVENT DIVISION</b>	:	Industrial Area No. 3	
		Dewas (M.P.)	

**10TH ANNUAL GENERAL MEETING**

Date : 30th September, 2000  
Day : Saturday  
Time : 3.00 P.M.  
Venue : Hotel Shreemaya,  
12 R.N.T. Marg,  
Indore - 452 001

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## NOTICE

NOTICE is hereby given that 10th Annual General Meeting of the Members of KRITI INDUSTRIES (INDIA) LIMITED will be held on Saturday the 30th September, 2000 at 3.00 P.M. at Hotel Shreemaya, 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, 2000 and the Profit and Loss Account for the year ended on that date alongwith the reports of Directors and Auditors thereon.
2. To declare Dividend for the Financial Year ended on 31st March, 2000.
3. To appoint a Director in place of Shri Sajjan Singh Mehta, who retires by rotation and, being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri S. S. Kothari, who retires by rotation and, being eligible offers himself for reappointment.
5. 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

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT Smt. Purnima Mehta, who was appointed as an Additional Director of the Company with effect from 1.10.1999 and who, in terms of Section 260 of the Companies Act, 1956 holds office upto date of this meeting and in respect of whom, a notice has been received under Section 257 of the Companies Act 1956, proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By order of the Board,

Place : Indore  
Date : 28th June, 2000

**Shiv Singh Mehta**  
Managing Director

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### 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 VALID 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 Statements pursuant to section 173(2) of the Companies Act, 1956 in respect of Item Nos. 6 as set out above are annexed hereto.
3. The Register of Members and Share Transfer Book of the Company will remain closed from Monday the 18th September, 2000 to Saturday the 30th September, 2000 (both days inclusive). The Dividend as recommended by the Directors for the year ended 31st March, 2000, if approved at the meeting will be paid on or after 31st October 2000, to those members whose name appear on the Register of Members of the Company on 30th September, 2000.

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, to Company their Bank A/c No. with the name of the Bank and its Branch so that details may 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.
8. Members who have not yet encashed their Dividend Warrants for the year 1994-95, 1995-96, 1996-97, 1997-98 & 1998-99 advised to approach the Company in order to have their Dividend Warrants revalidated.

### **ANNEXURE TO THE NOTICE**

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

6. Smt. Purnima Mehta was appointed as an Additional Director on the Board of Directors of the Company with effect from 1.10.1999. She holds office upto date of the ensuing Annual General Meeting of the Company. Notice under section 257 of the Act, along with necessary deposits has been received from a member of the Company signifying his intention to propose the candidature of Smt. Purnima Mehta, for the office of Director of the Company. Smt. Purnima Mehta is Graduate in Economics and has more than 10 years experience in this Industry.

Your Directors feel that her appointment as Director will be of benefit to the Company and therefore recommend the resolution for your approval.

#### **Memorandum of Interest**

Except Smt. Purnima Mehta herself, Shri Sajjan Singh Mehta, Shri Shiv Singh Mehta and Shri S.S. Kothari being related to Smt. Purnima Mehta, who may be deemed to be interested, no other Director is concerned or interested in this resolution.

By order of the Board,

Place : Indore  
Date : 28th June, 2000

**Shiv Singh Mehta**  
Managing Director





## DIRECTORS' REPORT

The Members,

Your Directors are presenting the 10th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2000.

### PERFORMANCE OF THE COMPANY

Your Company's performance during the year has not been encouraging due to depressed product prices and difficult conditions prevailing in the industry.

Particulars	(Rs. in Lacs)	
	Current Year (31.03.2000)	Previous Year (31.03.1999)
Total Income	15306.34	16131.56
Profit before Interest Depreciation & Taxes	791.07	960.58
Less : Interest	425.39	441.62
Gross Profit	365.68	518.96
Less : Depreciation Taxation	200.83 20.00	182.20 49.04
Net Profit	144.85	287.72
Add : Balance Brought Forward	88.63	70.26
Profit available for Appropriation	233.48	357.98
Proposed Dividend	24.38	58.51
Dividend Tax	4.88	5.85
Transferred to General Reserve	100.00	200.00
Transferred to Contingency Reserve	5.00	5.00
Balance Carried over to Balance Sheet	99.22	88.62
	233.48	357.98

### PERFORMANCE REVIEW

International edible oil prices are low and heavy imports have resulted in very low domestic oil prices. Though Government of India has increased import duty twice, the impact on oil prices could be seen only from June 2000. The impact of low product value is evident both in profitability and turnover, inspite of increase in volumes.

Company has made substantial investment in Plastic Division and has developed Elastomeric Rubber Joints, for which Company has received large orders. Company is also diversifying into lubricated telecom duct for which trial production has started. We foresee good future for this product as considerable investment is being made in laying basic telecom back bone and internet services.

### DIVIDEND

In view of reduced profits as compared to previous year, your Directors are recommending 5% Dividend on Equity Shares. There will be no tax deduction on dividend payments, your Company will absorb tax on dividends.

**FINANCE**

Installments of loans which fell due during the year under review were paid on time by your Company.

**ISO -9002**

Your Company has received ISO-9002 certificates for Dewas & Pithampur units.

**INSURANCE**

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

**Y2K COMPLIANCE**

Your Company has successfully undergone year 2000 rollover. All systems/equipment are functioning in a normal manner.

**DIRECTORS**

Smt. Purnima Mehta was appointed as an additional Director with effect from 1st October, 1999. She holds office until the conclusion of this Annual General Meeting and is eligible for reappointment. The Company has received a notice under Section 257 of the Companies Act, 1956, proposing her appointment as a Director, subject to retirement by rotation.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company Shri Sajjan Singh Mehta and Shri S.S.Kothari, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

**STATUTORY INFORMATION****PUBLIC DEPOSIT**

The Company has not received / accepted any deposits from public during the year under review.

**PARTICULARS OF EMPLOYEES**

The statement of particulars of employees, as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, is enclosed with this report as Annexure-A.

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

Information as per section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given in the Annexure-B forming part of the Report.

**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**

Your Directors wish to place on record their appreciation for the contribution made by the Company's workforce at all levels of operations for the success and progress of the Company.

**ACKNOWLEDGMENT**

Your Directors place on record their appreciation of the co-operation and assistance extended by the Central and State Governments, Financial Institutions, Banks. The Directors also convey their sincere thanks for the continued support given to the Company by the esteemed shareholders, suppliers, dealers and valued customers throughout the year.

For & on Behalf of the Board,

**Bhanubhai Patel**  
(Chairman)

Place : Indore

Date : 28th June, 2000