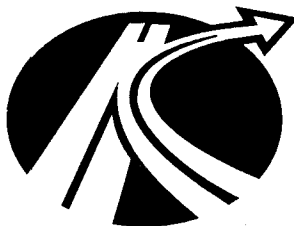




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14th ANNUAL REPORT

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KRITI INDUSTRIES (INDIA) LIMITED

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VISION STATEMENT

KRITI shall stand out in whatever it undertakes by achieving excellence in transforming a basic need into a new experience. On the road to realize this vision, we surrender ourselves to ...

- ❖ Cherish mutually satisfying relationships
- ❖ Encourage learning and creativity
- ❖ Use technology appropriately
- ❖ Lend a helping hand to society's developmental needs
- ❖ Be honest and forthright in our approaches
- ❖ Be in harmony with natural order

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98	1996-97
SALES AND EARNINGS								
Sales & Other Income	26389.10	17410.74	20071.96	17656.29	15306.34	16131.56	13890.87	11964.85
Expenditure	25377.13	16605.19	19014.50	16649.65	14515.27	15170.98	13028.49	11263.54
Operating Profit (PBITD)	1011.97	805.55	1057.46	1006.64	791.07	960.58	862.38	701.31
Interest	475.80	486.41	589.53	523.73	425.39	441.62	387.60	285.31
Gross Profit (PBDT)	536.16	319.14	467.94	482.91	365.68	518.96	474.78	416.00
Depreciation	234.14	259.12	255.75	228.96	200.83	182.20	148.55	117.72
Profit before Tax (PBT)	302.02	60.02	212.18	253.95	164.85	336.76	326.23	298.28
Net Profit (PAT)	212.02	55.02	181.18	232.45	144.85	287.72	304.23	258.28
CAPITAL EMPLOYED IN								
Gross Fixed Assets	4785.70	4562.92	4466.19	4370.02	3509.26	3292.94	2683.54	2445.40
Net Fixed Assets	3015.78	3025.70	3182.92	3340.17	2708.11	2691.76	2264.55	2174.96
Investments	13.40	21.90	21.90	23.86	23.86	24.11	24.11	13.65
Net Current Assets	3488.04	1393.30	2226.49	2608.44	1388.23	1175.02	1775.14	1552.72
Miscellaneous Expenditure	-	5.33	10.65	16.11	22.94	29.77	36.60	43.44
SHAREHOLDERS FUNDS & OTHERS								
Equity Share Capital	487.54	487.54	487.54	487.54	487.54	487.54	487.54	487.54
Reserves & Surplus	1557.73	1406.06	*1389.21	1843.42	1633.19	1517.59	1294.22	1054.35
Dividend	48.75	-	24.38	24.38	24.38	58.51	58.51	58.51
Dividend per Equity Share (Rs.)	1.00	-	0.50	0.50	0.50	1.20	1.20	1.20
Earning Per Equity Share (Rs)	4.35	0.35	2.18	4.77	2.97	5.90	6.24	5.30
Book Value per Equity Share (Rs.)	41.95	38.73	38.28	47.48	43.03	40.52	35.80	30.73

* The Company has for the first time accounted for Deferred Tax in accordance with Accounting Standard AS-22 "Accounting for Taxes on Income". The Company has recognized in these financial statements the deferred tax assets/liabilities accumulated prior to April 01, 2001 and charged the net deferred tax liabilities of Rs. 536.15 Lacs to the General Reserve as on April 01, 2001.

COMPANY'S BRANDS

KASTA	:	Rigid PVC Pipes & Fittings, HDPE Pipes, SWR Pipes & Fittings.
KORESIL	:	Permanently Lubricated & Plain HDPE Duct.
KRITI	:	Refined Oil, Soya Meal, Full Fat Soya
MIXWELL	:	Lecithin.

BOARD OF DIRECTORS AS ON 30th JUNE, 2004	:	(1) Shri Bhanubhai Patel	-	Chairman
	:	(2) Shri Sajjan Singh Mehta	-	Director
	:	(3) Dr. Swatantra Singh Kothari	-	Director
	:	(4) Shri Pravin Kasliwal	-	Director
	:	(5) Shri T.R. Anand Rao	-	Director
	:	(6) Shri R. Venkatachalam	-	Nominee Director (IDBI)
	:	(7) Smt. Purnima Mehta	-	Executive Director
	:	(8) Shri Shiv Singh Mehta	-	Managing Director
AUDITORS	:	M/s. Subhash Deshpande & Company		
		Chartered Accountants,		
		403, Alankar Point, Geeta Bhawan Square, A.B.Road, Indore - 1		
BANKERS	:	(1) State Bank of India		
	:	(2) State Bank of Indore		
	:	(3) State Bank of Travancore		
SHARES LISTED	:	(1) M.P. Stock Exchange, Indore		
	:	(2) The Stock Exchange Mumbai, Mumbai		
	:	(3) Ahmedabad Stock Exchange, Ahmedabad		
DEMAT ISIN NUMBER	:	ISIN:INE 479D1012 IN NSDL & CDSL		
REGISTERED OFFICE	:	"Mehta Chambers", 34, Siyaganj, Indore - 452 007.		
CORPORATE SUPPORT CENTRE	:	"Chetak Chambers", 4th Floor, 14, R.N.T. Marg, Indore - 452 001.		
SHARE TRANSFER AGENT	:	M/s Ankit Consultancy Pvt. Ltd.		
		2nd Floor, Alankar Point, 4-A, Rajgarh Kothi		
		Geeta Bhawan Chouraha,		
		A.B.Road, Indore - 452 001 (M.P)		
WORKS :				
TELECOM NETWORKING	:	Plot No. 75-86 & 13/1, Tarpur, Sector II, Industrial Area,		
EQUIPMENT COMPONENTS DIVISION	:	Pithampur, Dist. Dhar (M.P.)		
SOLVENT DIVISION	:	Industrial Area No. 3, Dewas (M.P.)		
MOULDING DIVISION	:	Plot No. C-9, C-10, MIDC, Ranjangaon		
	:	Near Sirpur, Pune - 10 (M.S.)		

14th ANNUAL GENERAL MEETING

Date : 14th September, 2004
Day : Tuesday
Time : 4.00 P.M.
Venue : Hotel Crown Palace,
12-A, Kanchan Bagh,
Indore - 452 001

CONTENTS

PAGE NO.

Notice	02
Directors' Report	05
Management Discussion & Analysis Report	08
Corporate Governance Report	09
Auditors' Report	16
Balance Sheet	18
Profit & Loss Account	19
Schedules	20
Notes on Account	26
Cash Flow Statement	32



NOTICE

NOTICE is hereby given that 14th Annual General Meeting of the Members of KRITI INDUSTRIES (INDIA) LIMITED will be held on 14th September, 2004 at 4.00 P.M. at Hotel Crown Palace, 12-A, Kanchan Bagh, 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, 2004 and the Profit and Loss Account for the year ended on that date along with the reports of Directors and Auditors thereon.
2. To declare Dividend for the Financial Year ended on 31st March, 2004.
3. To appoint a Director in place of Dr. S.S. Kothari, who retires by rotation and, being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Sajjan Singh Mehta, 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 Special Resolution.

"RESOLVED THAT subject to the approval of members in general meeting, and compliance with the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and other provisions as may be applicable under any other law, the equity shares of the Company be delisted for trading on the Madhya Pradesh and Ahmedabad Stock Exchanges .

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to take such action and to do such acts, deeds and things as may be necessary, expedient and desirable, for the purpose of giving effect to this resolution."

By order of the Board,

Place : Indore
Date : 30th June, 2004

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 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 Statement pursuant to Section 173 of the Companies Act, 1956, relating to the Special Business under item No. 6 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will be closed from Monday the 06th September, 2004 to Tuesday the 14th September , 2004 (both days inclusive) for payments of dividend on Equity Shares.
4. DIVIDENDS
 - A. The Dividend, if approved by members at the ensuing Annual General Meeting, will be paid from the next day of AGM to those members whose names stand registered on 14th September, 2004.
 - i. As members in the Register of Members; and
 - ii. As beneficial owners as per details furnished by the Depositories for this purpose.

Members are requested to inform the Company immediately, if not already informed, particulars of Bank Account, i.e Name and Address of the Bank and its Branch and the type of account and its number for the purpose of inclusion of particulars on the Dividend Warrant to minimise the risk of fraudulent encashment.

- B. Members who have not yet encashed their Dividend warrants for the year 1996-97 and subsequent years are advised to approach the Company in order to have their Dividend Warrants revalidated. Dividend which remain unclaimed for a period of 7years from the date of their declaration will be transferred to the Investor Education and Protection Fund of the Central Government under Section 205A of the Companies Act, 1956, Further, once the unclaimed dividend is transferred to the

aforesaid account as above, no claim shall lie in respect of such amounts. Please note that unpaid dividend for and upto the financial year ending 31st March, 1996 has been already transferred to Central Government Account / Investor Education and Protection Fund.

5. As per the provisions of Section 109 of the Companies Act, 1956, facility for making nomination is now available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registrar of the Company.
6. Members attending the meeting are requested to bring with them the attendance slip duly filled in to be handed at the entrance of the meeting hall. They are requested to bring their copy of the Annual Report to the meeting.
7. Members are requested to:
 - A. Notify immediately any change in their address to the Company quoting their folio numbers.
 - B. Inform their client ID and DP ID numbers if

they hold shares in dematerialised form.

- C. Inform the Company their Income Tax Permanent Account Number (PAN), if any, if not informed earlier.
- D. Send to the Company details of all folios, if holding shares in identical order of names in more than one folio, 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.
- E. Write to the Company at least 7 days before the date of the meeting, if any information with regard to accounts are required, so as to enable the management to keep the information ready.

Information regarding retiring Directors

At the ensuing Annual General Meeting, Dr. S.S. Kothari and Shri Sajjan Singh Mehta will be reappointed as Directors. Their bio-data are given below :

Name of the Director	Dr. S.S.Kothari	Shri Sajjan Singh Mehta
Date of Birth	15.05.1930	26.07.1927
Date of appointment	24.04.1992	16.03.1990
Expertise in Specific areas	Company Law, Taxation & Accounting and Economics	Marketing and Administration
Qualification	Ph.D. (Econ.), F.C.A.	B.Sc.
List of Outside Directorship held	Jayshree Tea & Industries Limited The Pratapur Sugar & Industries Ltd. Uniworth Biotech Limited Kothari Management & Industrial Consultants Limited	Sakam Investment Pvt. Limited Chetak Builders Pvt. Limited
Chairman/ Member of the committees of the Board of Directors of the Company	Remuneration Committee-Member	Investors' Grievance Committee-Chairman
Chairman / Member of the Committees of Director of other Companies in which he is a Director		None
(a) Audit Committee-Chairman	Jayshree Tea & Industries Limited	
(b) Shareholder Committee-Member	Jayshree Tea & Industries Limited	
(a) Remuneration Committee-Member	Jayshree Tea & Industries Limited	
(b) Compensation Committee	--	



ANNEXURE TO THE NOTICE

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

The Equity Shares of the Company are presently listed on the following 3 (Three) Stock Exchanges in India.

The Mumbai Stock Exchange,
Madhya Pradesh Stock Exchange,
Ahmedabad Stock Exchange

There have been no transaction on the Madhya Pradesh and Ahmedabad Stock Exchange. It is proposed to have the Shares delisted from the 2 (Two) Stock Exchanges as it will save payment of annual fees to the two Exchanges which have been without commensurate benefit.

In accordance with the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, an exit opportunity is also not required to be given to the shareholders, as the shares will continue to be listed on the Mumbai Stock Exchange, a National Stock Exchange and the

transactions can be effected from any corner of India. In other words, the interest of shareholders will not be affected by the proposed delisting.

Resolution placed before the meeting is accordingly commended for the approval of members.

Memorandum of Interest

None of the Directors is concerned with or interested in the above resolution.

By order of the Board,

Place : Indore
Date : 30th June, 2004

Shiv Singh Mehta
Managing Director

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DIRECTORS' REPORT

Your Directors are presenting the 14th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2004.

PERFORMANCE OF THE COMPANY

Company achieved highest Sales of Rs. 2632.07 lacs during the year. The Operating Profit at Rs. 1011.97 lacs were also highest. After providing for Financial Charges, Depreciation and Tax, both current and deferred, the Net Profit was Rs. 212.02 lacs.

The performance of the Company for the financial year ended 31st March, 2004 is summarised below :

(Rs. In Lacs)

Particulars	Current Year (31.03.2004)	Previous Year (31.03.2003)
Total Income	26389.10	17416.34
Profit before Interest,		
Depreciation & Taxes	1011.97	805.55
Less : Interest	475.80	486.41
Gross Profit	536.16	319.14
Less : Depreciation	234.14	259.12
Taxation	90.00	5.00
Net Profit	212.02	55.02
Less : Deferred Tax	5.35	37.33
Less : Prior year Income /	--	0.84
Expenditure		
Add : Balance Brought Forward	63.61	51.76
Profit available for Appropriation	270.28	68.61
Proposed Dividend	48.75	--
Corporate Dividend Tax	6.25	--
Transferred to General Reserve	150.00	--
Transferred to Contingency Reserve	5.00	5.00
Balance Carried over to	60.28	63.61
Balance Sheet		
Total	270.28	68.61

DIVIDEND

Your Directors are pleased to recommend for your consideration payment of dividend on equity shares at 10% (Rs.1.00 per share) for the year ended March 31, 2004 aggregating to Rs 48.75 lacs.

CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions on Corporate Governance as prescribed in the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is included as a part of the Annual Report along with the Auditors' Certificate on its compliance.

DIRECTORS

Dr. S.S.Kothari and Shri Sajjan Singh Mehta, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Industrial Development Bank of India vide their letter no. CSD.53/892/Nom.8 dated February 11, 2004 have withdrawn the nomination of Mrs. C.Krishnan from the Board of your Company and in her place appointed Shri R. Venkatachalam as their Nominee on the Board.

DEMATERIALISATION OF EQUITY SHARES

The Company's equity shares have been inducted into compulsory depository system of Central Depository Services Limited and National Securities Depository Limited with effect from 21st May, 2001. As such facilities for dematerialisation of the Company's equity shares have already become fully operational vide ISIN:INE 479D01012 at both the Depositories.

LISTING

The shares of the Company are listed at on Madhya Pradesh Stock Exchange, Indore, Ahmedabad Stock Exchange, and The Stock Exchange, Mumbai and the Company is regular in payment of listing fees to them. There was no suspension of trading during the year under review. The transaction at M.P. Stock Exchange and Ahmedabad Stock Exchange are negligible and Mumbai Stock Exchange is National Exchange and the transactions can be effected from any corner of India

The Board of Directors recommends delisting of securities from Madhya Pradesh Stock Exchange, Indore, and Ahmedabad Stock Exchange, Ahmedabad pursuant to the SEBI (Delisting of Securities) Guidelines, 2003, so as to reduce the recurring administrative cost to the Company.

MERGER OF THE DIVISION OF THE COMPANY

Telecom Networking Equipment Components Division and Auto Agri Accessories Division at Pithampur are located on adjoining plots. For operational convenience, your board has decided to merge Auto Agri Accessories Division into Telecom Networking Equipment Components Division w.e.f. 01st April, 2004.

STATUTORY INFORMATION

PUBLIC DEPOSIT

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

PARTICULARS OF EMPLOYEES

The Company does not have on its roll any employee drawing remuneration attracting provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.



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 forming part of the report.

AUDITORS

M/s. Subhash Deshpande & Co., Chartered Accountant, 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.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the co-operation and assistance extended by the Central / State Government, 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.

For & on Behalf of the Board,

Place : Indore

Date : 30th June, 2004

Bhanubhai I. Patel

(Chairman)

ANNEXURE

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, 2004.

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken :

(1) Energy conservation devices have been installed and the equipment are maintained properly to reduce energy consumption.

(2) New systems are being devised to reduce electric power, fuel and water consumption.

(b) Additional Investment and proposals for reduction of consumption of energy.

By relocating modifying the available equipment, energy, conservation measure are being implemented and major investment have not been made for equipments so far.

(c) Impact of above measures :

The above measures have resulted in energy saving and subsequent decrease in the cost of production.

(d) Total energy consumption and energy consumption per unit of production :

As per Form "A" Annexed.

A. POWER AND FUEL CONSUMPTION

	2003-04	2002-03
1. Electricity		
(a) Purchased Units	4440415	1883090
Total Amount	21829117	9355874
Rate/Unit	4.92	4.97
(Average Rs.)		
(b) Own Generation		
(i) Units	202315	207622
Units per ltr. of Diesel Oil	3.37	3.22
Cost per unit (Rs.)	5.53	3.49
(ii) Through Steam Turbine/Generator Unit/Unit per ltr. of Diesel oil Cost/Unit	NIL	NIL
2. Coal (specify quality & where used)		
RDM / Steam B Grade used in Boiler		
Quantity (Tones)	7098.09	3192.304
Total Cost	13756041	6031378
Average Rate	1937.99	1889.34
3. Furnace Oil	NIL	NIL
Quantity (K.Ltr.)		
Total Amount		
Average Rate		
4. Others/Internal Generation	NIL	NIL
Quantity		
Total Cost		
Rate/Unit		

CONSUMPTION PER UNIT OF PRODUCTION

	Extraction	Refinery	Lecithin
Electricity (Units per Ton)	37.81	53.94	110.02
Coal (Specify quality)	58.96	82.98	283.23
(Kg. per Ton)			

Note : Information in respect of Pipes & Fittings has not been provided as Form "A" under Section 217(1)(e) of the Companies Act, 1956, is not applicable to these units.

FORM - B**(A) (I) Research and Development (R & D)**

Specific areas in which R & D carried out by the Company.

The Company undertakes upgradation of its products as a continuous process. New products and process equipments have been developed resulting in improved efficiency of operations.

(II) Benefits derived

With the installation of various additional equipment it was possible to achieve consistency in production and quality of products.

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company does not have any imported technology and hence the details required to be given for imported technology is not applicable

(C) FOREIGN EXCHANGE EARNING & OUTGO

(Rs.in Lacs)

	2003-04	2002-03
1. Earning		
FOB rate of Export	3331.01	260.00
2. Outgo		
a) CIF Value of Imports	30.70	68.68
b) Expenditure in Foreign Currency	48.54	30.65

Report on Corporate Governance

This chapter, read together with the information given in the chapter titled as Management Discussion and Analysis Report constitute a detailed Compliance Report on Corporate Governance during 2003-04.

Auditor's Certificate on Corporate Governance

The Company has obtained the certificate from the Auditors of the Company regarding compliance with the provisions relating to Corporate Governance laid down in Clause 49 of the Listing Agreement with the Stock Exchanges. This report is annexed to the Directors' Report for the year 2003-04. This certificate will be sent to the stock exchanges, alongwith annual report to be filed by the Company.

Recommendations on Corporate Governannce to the Members of Kriti Industries (India) Limited

To,

The Members of

Kriti Industries (India) Limited

We have examined the compliance of conditions of Corporate Governance by Kriti Industries (India) Limited for the year ended 31st March, 2004, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders/ Investor's Grievance Committee.

We further state that such compliance 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 Subhash Deshpande & Co.
Chartered Accountants

Place : Indore

Date : 30th June, 2004

(R.D. Asawa)
Partner



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

Your Company is engaged in the business of processing of oil seeds, marketing of edible oils, fats, soya food, manufacturing of PVC/HDPE Pipe and Fittings for agriculture and construction applications and production of Permanently Lubricated Telecom Ducts for laying Optical Fibre Cables.

Your Company has diversified into blow moulding and is trying to associate with Fast Moving Consumer Goods (FMCG) Sector and Automobile Sector by setting up state-of-the-art manufacturing facility at Ranjangaon near Pune.

With increasing average incomes, FMCG & Automobile Sector is likely to show good growth.

OPPORTUNITES AND THREATS

Our country is poised for growth of agriculture and is making large investments in infrastructure. Plastic Division growth & development is directly related to the growth of infrastructure in the country. Water, telecommunication, general health & hygiene are on high focus. This gives us lot of hope for an exciting future. Company is preparing itself to capitalise on opportunities which shall be offered in coming years. It has already received good response and the sales in the 1st quarter are showing significant increase.

Soyabean crop is directly dependent on monsoon. Though initial forecast for the current year are for a good monsoon but actual crop size shall be known only after the rains.

Raw material prices are maintaining their high volatility making it difficult to take any long term view on prices. There are large players also who have entered the fray portends keen competition in Soya Industry.

FINANCIAL PERFORMANCE v/s OPERATIONAL PERFORMANCE

Over the last few years the Company has incurred significant capital expenditure for useful manufacturing capacities and business expansion. The Company is implementing its business strategies to achieve its long term goals.

Sales growth and profitability showed a constant increase and improvement in operating margins came from cutting cost on all fronts and improving its efficiencies across its operations. This however, needs further improvement.

Proactively redefining business is necessary to grow and remain profitable. Kriti has always tried to harness available opportunities.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems which specifically focus towards :

- ❖ Efficiency of operations
- ❖ Conservation of resources
- ❖ Accuracy and promptness of financial reporting
- ❖ Regular compliance with statutes and regulations

Your Company is working towards further strengthening of organisation structure, authority levels, documented policy guidelines/procedures and management reviews systems.

DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company's industrial relations continued to be harmonious and cordial with focus on improving inter personnel relationship, team building, productivity, quality and safety. The Company conducts in-house training programmes for employees at all levels. The focus is on providing and maintaining a high level of motivation, on leadership development & upgrading of human skills.

CAUTIONARY STATEMENT

Estimates and expectations stated in this Management Discussion and Analysis Report may be "forward-looking statement" within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and international markets, changes in the Government regulations, tax laws, and other statutes and other incidental factors.