



KRITI INDUSTRIES (INDIA) LIMITED

25th ANNUAL REPORT 2014-2015

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WISDOM
FOCUS LOYALTY
DEDICATION FOCUS
DETERMINATION ALERTNESS
CREATIVITY HUMILITY
WISDOM ATTITUDE
HARD WORK PASSION ENDURANCE
FOCUS PERSUASIVE COURAGE
ATTITUDE PERSEVERANCE
SELF-CONFIDENCE FOCUS LOYALTY
ENDURANCE COMMITMENT
DEDICATION FOCUS LOYALTY
CREATIVITY FOCUS DILIGENCE
PERSEVERANCE HARD WORK
ENDURANCE WISDOM
LOYALTY FOCUS PASSION
DILIGENCE ATTITUDE
FOCUS

RIGHT



Board of Directors

1. Shri Shiv Singh Mehta - Managing Director
2. Smt. Purnima Mehta - Executive Director
3. Dr. Swatantra Singh Kothari
4. Shri Rakesh Kalra
5. CA Manoj Fadnis
6. Dr. Somnath Ghosh

Auditors

R.D. Asawa & Co.

Chartered Accountants

403 Alankar Point, Geeta Bhavan Square

A. B. Road, Indore - 452 001 (M.P.)

Bankers

State Bank of India

State Bank of Travancore

IDBI Bank Ltd.

Bank of India

State Bank of Hyderabad

The Cosmos Co-opertive Bank Ltd.

Company Secretary

Shri Satish Patel

Registered Office

Mehta Chambers, 34, Siyaganj, Indore - 452007 (M.P.)

Corporate Support Center

Chetak Chambers, 4th Floor, 14 RNT Marg,

Indore - 452001 (M.P.)

Share Transfer Agent

M/s Ankit Consultancy Pvt. Ltd.

60, Electronics Complex,

Pardeshipura,

Indore - 452010 (M.P.)

**NOTICE**

NOTICE IS HEREBY GIVEN that the 25th Annual General Meeting of the Members of **KRITI INDUSTRIES (INDIA) LIMITED** will be held on **Thursday the 24th day of September, 2015 at 2:00 P.M.** at Corporate Support Center of the company situated at 4th Floor Chetak Chambers, 14 R. N. T. Marg, Indore (M.P.) - 452001 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements together with Directors Report as also the Auditors Report thereon for the year ended March 31, 2015.
2. To appoint a Director in place of Mrs. Purnima Mehta (DIN 00023632), who is liable to retire by rotation, and being eligible offers herself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 M/s Rakesh Kumar & Associates, Chartered Accountants (FRN 002150C), be and is hereby appointed as Statutory Auditor of the company in place of M/s R.D. Asawa and Co., the retiring Statutory Auditors who retires as per the provision of retirement of Statutory auditors under section 139(2) of the Companies Act, 2013 to hold the office from the conclusion of this Annual General Meeting (AGM) to the conclusion of sixth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General Meeting on such remuneration as may be fixed by the Board.

SPECIAL BUSINESS**4. Ratification of Remuneration to Cost Auditor**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to sections 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) Mr. S.P.S Dangi, Cost Accountant (FRN 100004), appointed as Cost Auditor by the Board of Directors of the Company to conduct an audit of the Cost Records of the Company for the financial year ending 31.03.2016 be paid the remuneration as set out in the statement annexed to the notice."

Place: Indore

Date: 11th August, 2015

Kriti Industries (India) Ltd

CIN L25206MP1990PLC005732

Regd. Office: Mehta Chamber, 34 Siyagunj,
Indore

By order of the Board,

Satish Patel
Company Secretary



Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.

A person can act as a proxy on behalf of the members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The business set out in the Notice will be transacted through electronic voting system and the company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 9
3. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. The company has notified closure of Register of Members and Share Transfer Books from Friday 18th September 2015 to Thursday 24th September, 2015 (both days inclusive) for the Annual General Meeting.
5. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered office or Corporate Support Center of the Company on all working days between 11.00 A.M. to 1.00 P.M. up to the date of meeting.
6. Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
7. Pursuant to Section 205A(5) and 205C of the Companies Act, 1956 the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred Rs. 2,15,382/- being the unpaid and unclaimed dividend amount pertaining to dividend for the year 2006-07 to the Investor Education and Protection Fund of the Central Government. The company has uploaded the details of unpaid and unclaimed amount lying with the company on 25th September, 2014 (Date of Last AGM) and also on the website of the Ministry of Corporate Affairs.
8. Electronic copy of the Annual Report 2015 is being sent to the members whose email Ids are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a physical copy of the same.
9. In compliance with the provisions of section 108 of the Act and Rules framed there under, the Members are provided with the facility to casts their vote electronically, through the e – voting services provided by NSDL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

- A. In case a Member receives an e-mail from NSDL (for Members whose email addresses are registered with the Company/Depositories):
 - i. Open the email and also open PDF file. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>
 - iii. Click on Shareholder – Login
 - iv. Please enter the User Id and Password as initial password / PIN noted in step(i) above. Click Login
 - v. The password change menu will appear on your screen. Change to new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both.
Please take utmost care to keep your password confidential.
 - vi. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
 - vii. Select "EVEN" (E-voting Event Number) of Kriti Industries (India) Limited



- viii. Cast your vote by selecting appropriate option and click on “submit” and also confirm when Prompted
- ix. Now you are ready for e-voting as Cast Vote page opens.
- x. Upon confirmation, the message “Vote Cast Successfully” will be displayed.
- xi. Once the vote on the resolution is cast, the members will not be allowed to change it subsequently.
- xii. Institutional shareholders (i.e other than individuals, HUF, NRI etc) are required to send scanned copy of the relevant Board Resolution/Authority letter, etc together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through e-mail to kriti.scrutinizer@gmail.com, with a copy marked to evoting@nsdl.co.in
- xiii. In case of any queries, you may refer the Frequently asked questions (FAQs) – Shareholders and e-voting user manual – Shareholders, available at the download section of www.evoting.nsdl.com
- B. In case a member receives physical copy of the Notice of AGM (for members whose email addresses are not registered with the company/Depositories):
 - i. Initial password is provided in the enclosed form: EVEN (E-Voting Event Number), user ID and password.
 - ii. Please follow all steps from Si. No. (ii) to Si. No. (xiii) above, to cast vote
- C. Other Instructions:
 - i. The e-voting period commences on Monday, September 21st, 2015 (9:00 AM IST) and ends on Wednesday, September, 23rd, 2015 (5:00 PM IST)
 - ii. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the company and the members shall be entitled for voting whose names appears in the details of beneficiaries as may be provided at the cutoff date 17th September, 2015
 - iii. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 17th September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or (Company/RTA email id) However, If you are already registered with NSDL, for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot user Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no: 1800-222-990.
 - iv. CS Ishan Jain, Practicing Company Secretary (Membership No. ACS 29444), has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - v. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, there after unblock the votes cast through remote e-voting in presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizers' report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall counter sign the same.
 - vi. The result declared along with scrutinizer's report shall be placed on the Company's website www.kritiindia.com and on the website of NSDL www.evoting.nsdl.com within three days of the passing of resolutions at the Twenty Fifth AGM of the company on September 24th, 2015 and communicated to the Stock Exchanges, where the shares of the company are listed
 - vii. 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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all material facts relating to the Business mentioned at Item No. 2 & 4 of the accompanying Notice:


Item No. 2

Mrs. Purnima Mehta was appointed at the AGM held on 24th September, 2011 under section 269, 309, 314 and read with schedule XIII of the Companies Act, 1956 as Whole Time Director designated as Executive Director of the Company for a period of 5 years wef 01st July, 2011 on remuneration and terms and conditions as approved by the shareholders.

In order to comply the provisions of section 152(6) of the Companies Act, 2013 the board has decided in consent with Mrs. Purnima Mehta that her appointment terms is made liable to retire by rotation without change of other terms and conditions and remuneration.

Item No. 4

The Board at its meeting held on 20.05.2015, on the recommendations of the Audit Committee, has appointed Mr. S.P.S. Dangi, Cost Accountant as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending on 31.03.2016 on a remuneration of Rs. 20,000/- (Rupees Twenty Thousand only).

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the cost auditor is required to be ratified by the shareholders of the Company. The Board recommends the aforesaid resolution for approval of the members.

None of the Directors of the Company, the key managerial personnel of the Company or their relatives are concerned or interested in the aforesaid ordinary resolution.

The Board recommends the ordinary resolution as set out in Item No. 4 of the notice for approval.

Place: Indore

By order of the Board,

Date: 11th August, 2015

Kriti Industries (India) Ltd

CIN L25206MP1990PLC005732

Regd. Office: Mehta Chamber, 34 Siyagunj,

Indore

Satish Patel

Company Secretary

Details of the directors seeking reappointment at the Annual General Meeting

PARTICULARS	Mrs. Purnima Mehta
Date of Birth	25.05.1960
Date of Appointment	01.10.1999
Expertise in specific area	Account & Finance, Purchase, IT, HR and Administration
Qualification	B.A. (Hons), PGDBM
List of Outside Directorship held	Kriti Nutrients Limited
Chairman/ Member of the committees of the Board of Directors of the Company	Chairman: Nil Member: Audit Committee Member: Financial Committee Member: Stakeholders' Relationship Committee Member: CSR Committee
Chairman / member of the Committees of Director of other companies in which he/she is a Director	
(a) Audit Committee	Kriti Nutrients Limited
(b) Stakeholders' Relationship Committee	Kriti Nutrients Limited
(c) Remuneration Committee	Nil
(d) CSR Committee	Kriti Nutrients Limited
No. & Percentage of Shares held	125592 Eq. Shares 0.25%



DIRECTORS' REPORT

Your Directors have the pleasure in presenting the 25th Annual Report together with Audited Financial Statements of the Company for the year ended on 31st March, 2015.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March, 2015 is summarized below:

Particulars	2014-15	2013-14
Total Income	39844.50	39780.97
Profit/(Loss) before Interest, Depreciation & Taxes	2069.36	2644.02
Less: Interest	1258.58	1372.50
Profit before depreciation	810.78	1271.52
Less: Depreciation	392.80	445.32
Profit/ (Loss) Before Tax	417.98	826.20
Provision for Taxation	148.62	290.96
Net Profit/(loss)	269.36	535.24

YEAR IN RETROSPECT

The Company has achieved a total turnover of Rs. 39844.50 lacs and Profit before Tax Rs. 417.98 lacs and Profit after Tax of Rs. 269.39 lacs.

During the year Company's results were adversely affected due to sudden and sharp fall of polymer prices resulting in lower sales realization. The market stabilised from Mid Nov 14. The current outlook seems to be stable and it is expected that during FY 2015-16 company's performance will be improved.

DIVIDEND

In order to conserve resources Board of Directors has not recommend dividend for the financial year 2014-15. (Previous year 15% on 49603520 equity shares of Rs. 1/- each aggregating to Rs. 74.41 Lacs.)

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:-

- that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and have made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31 March, 2015 and of the statement of profit and loss of the Company for that period;
- 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;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- 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.

**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.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval.

CORPORATE SOCIAL RESPONSIBILITY

A Corporate Social Responsibility Committee was constituted consisting of Shri Shiv Singh Mehta as the Chairman, Smt. Purnima Mehta and Shri Somnath Ghosh as members of the Committee.

As a part of its initiative under Corporate Social Responsibility (CSR), the company has undertaken CSR initiative and activities in the areas of promoting education

In CSR account during the year company was to incur Rs. 16.16 Lacs out of which amount spent during the year was Rs. 0.87 Lacs Company is in the process of further identifying the CSR project & the balance amount of Rs. 15.29 Lacs will be spent in the course of time.

The Annual Report on CSR activities is given in Annexure, which is attached hereto and forms a part of the Directors' Report.

RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company's system of financial and compliance controls with reference to the financial statements and risk management is embedded in the business process by which the Company pursues its objectives.

Management is responsible for establishing and maintaining adequate disclosure controls and procedures and adequate internal controls over financial reporting with respect to financial statements besides its effectiveness in the context of applicable regulations.

The Internal Auditor, the Audit Committee as well as the Board of Directors conduct from time to time an evaluation of the adequacy and effectiveness of the system of internal controls for financial reporting with respect to financial statements.

DIRECTORS

In terms of Section(s) 149, 152 and all other applicable provisions of the Companies Act, 2013, for the purpose of determining the directors liable to retire by rotation, the Independent Directors are not included in the total number of directors of the Company. Accordingly, Mrs. Purnima Mehta (DIN 00023532), shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment as a Director of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

Necessary declarations have been obtained from all the Independent Directors under sub-section (7) of Section 149 of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL

During the year under review Mr. Vinod Kumar Mittal appointed as Chief Financial Officer of the Company from 01.09.2014 and Mr. Satish Patel appointed as Company Secretary from 06.10.2014 of the Company.

**MEETINGS**

During the year four Board Meetings and four Audit Committee 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.

PERFORMANCE EVALUATION OF BOARD, COMMITTEES & DIRECTORS

Pursuant to the Provisions of the Companies Act, 2013 and as stipulated under Clause 49 of the Listing Agreement, the Board of Directors adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors. A structured evaluation process covering various aspects of the Boards functioning such as Composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Managing Director, Whole Time Director and the Non Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected overall engagement of the Board and its Committees with the company.

SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

Pursuant to section 178 of the Companies Act, 2013 the rules made thereunder and clause 49 of the Listing Agreement the Board has constituted the Nomination & remuneration Committee comprising Shri Rakesh Kalra as Chairman, and CA Manoj Fadnis & Shri Somnath Ghosh as its member.

The Nomination & Remuneration Committee framed policy for selection and appointment, re-appointment, removal, appraisal of Directors & Senior Management.

AUDITORS AND AUDITOR REPORT

The term of office of M/s R.D. Asawa & Co., Chartered Accountants as Statutory Auditor of the company will expire with the conclusion of forthcoming Annual General Meeting of the company.

As per the requirements of Section 139(2) of the Companies Act, 2013 for retirement of Statutory Auditors the Board of Directors of the company has, subject to approval of the members, proposed a resolution at the forthcoming Annual General Meeting for appointment of M/s Rakesh Kumar & Associates, Chartered Accountants (FRN 002150C), as statutory auditors of the company for a period of 5 year in place of retiring Auditor M/s R.D. Asawa & Co., Chartered Accountants.

A resolution proposing appointment of M/s Rakesh Kumar & Associates, Chartered Accountants (FRN 002150C), as the Statutory Auditors of the company pursuant to section 139 of the Companies Act, 2013 forms part of the Notice.

COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 your Directors had, on the recommendation of the Audit Committee, appointed Mr. S.P.S. Dangi, proprietor of M/s S.P.S Dangi, Cost Auditor (F.R.No 100004) to audit the cost accounts of the Company for the financial year ending 31.03.2016. Resolution seeking Member's ratification for the remuneration payable to Mr. S.P.S. Dangi, proprietor of M/s S.P.S Dangi, Cost Auditor (F.R.No 100004) is included at Item No. 4 of the Notice convening the 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 Company has appointed M/s Ashish Karodia & Company, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith.



SUBSIDIARY COMPANY

Kriti Auto & Engineering Plastics Private Limited, wholly owned subsidiary of the company, achieved gross turnover of Rs. 1999.19 Lacs (Previous Year Rs. 1320.86 Lacs) incurred a net loss of Rs 66.79 (Previous Year Rs. 107.79 Lacs) during the year.

Continuous efforts are being made to improve efficiency and inducting value added products in the portfolio.

A Statement containing the salient features of the financial statement of subsidiary as prescribed under the first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of The Companies (Accounts) Rules, 2014 is attached and forms part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 and Accounting Standard (AS)-21 "Consolidated Financial Statements" the audited Consolidated Financial Statements form part of the Annual Report. The Financial Statements of subsidiary Company has been prepared in the same form and manner as that of the Company.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of Loans, Guarantees and Investment in pursuance to Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

STATUTORY INFORMATION

PUBLIC DEPOSIT

The company has not received/accepted any deposits from public during the year under review within the meaning of section 73 of the Companies Act, 2013, and the Companies (Acceptance of Deposits) Rules, 2014 and there is no overdue unpaid/unclaimed deposit as at 31st March, 2015.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto and forms part of this report.

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

Information as per section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed hereto and forms part of this report.

EXTRACT OF ANNUAL RETURN

The extract of the annual return in Form No. MGT-9 shall form part of the Board's report.

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.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism/Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Policy is explained in the Corporate Governance Report and also posted on the website of the Company.