



KRITI NUTRIENTS LIMITED
ANNUAL REPORT 2012-2013

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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. Shri Saurabh Singh Mehta - Executive Director
3. Smt. Purnima Mehta - Director
4. Shri Manoj Fadnis - Director
5. Shri Prakash M. Pethe - Director
6. Dr. Somnath Ghosh - Director

Auditors

R. S. Bansal & Co.
Chartered Accountants
Urvashi 1st Floor, 3 Jaora Compound,
Indore - 452001 (M.P.)

Bankers

State Bank of India
State Bank of Travancore
IDBI Ltd.
The Cosmos-Co-Operative Bank Limited

Company Secretary

Mr. Sumit Jaitely

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 Annual General Meeting of the Members of KRITI NUTRIENTS LIMITED will be held on Saturday the 14th of September, 2013 at 5:00 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 Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare Dividend for the Financial Year ended on 31st March 2013.
3. To appoint a director in place of Mr. Prakash Madhav Pethe, who is liable to retire by rotation, but not seeking his re-appointment.
4. To appoint M/s R.S. Bansal & Co., Chartered Accountants, Indore, as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as Special Resolution.

"RESOLVED THAT pursuant to the provisions of section 198,316,269,302 read with schedule XIII and all other provisions of the Companies Act, 1956 as may be applicable, the approval of members of the company be and is hereby granted for re-appointment of, Mr. Shiv Singh Mehta who is already the Managing Director of another company, namely Kriti Industries (India) Limited be and is hereby confirmed as Managing Director of the company for a further period of three years commencing from 12th January 2013, on the terms and conditions contained in the explanatory statement.

6. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 314 read with the Schedule XIII thereof (including any statutory modifications or reenactment thereof, for the time being in force) and other applicable provisions, if any, of the Companies Act, 1956 and the approval of members of the company be and is hereby granted for the re-appointment of, Mr. Saurabh Singh Mehta as the Whole Time Director designated as Executive Director of the company for the further period of three years with effect from 1st August, 2013 on the remuneration and terms and conditions mentioned in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to increase, reduce, alter or vary the terms of remuneration in such manner from time to time 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 pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956 the remuneration as given under be paid as minimum remuneration to Mr. Saurabh Singh Mehta notwithstanding that in any financial year of the Company during his tenure as Executive Director, the company has made no profit or profits are inadequate."

Place: Indore
Date: 26th July, 2013

By order of the Board,
Sumit Jaitely
Company Secretary

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. Proxy in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.
2. The Company has already notified closure of Register of Members and Share Transfer Books from Friday 06th September, 2013 to Saturday 14 September, 2013 (both days inclusive) for the determining the names of members eligible for dividend on equity shares, if declared at the meeting.



(a) The Dividend on equity shares if declared at the meeting will be credited/dispatched between 16th September, 2013 to 20th September, 2013, to those members whose names shall appear on the Company's Register of Members on 05th September, 2013 and in respect of the shares held in Demat form, the dividend will be paid to members, those names are furnished by NSDL/CDSL as beneficial owners as on that date.

3. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend, the Company or its Registrar and Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates, such changes are to be advised only to the depository participant of the members.

4. All the shareholder are requested to opt for ECS facility, For shares held in physical he/ she may send the duly filled ECS MANDATE FORM annexed to the last page of the Annual by enclosing a blank cancelled cheque leaf for the purpose of noting the MICR details to Ankit Consultancy Private Ltd. 60, Electronic Complex, Pardeshipura, Indore 452010.

In case the investor is holding the shares in demat form, such investor may please contact his/her Depository Participant for recording the ECS mandate.

The ECS mandate details provided by an investor will be used for payments in respect of shares held by such investor.

5. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the company.

6. Relevant documents referred into 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.

7. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.

8. Members desires 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.

9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the company. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be downloaded from the website of the Ministry of Company affairs.

10. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies and has issued circulars stating that service of notice/documents including annual report can be sent by email to its members. To support these green initiative of the government in full measures, members who have not registered their email address, so far are requested to register their email address so that they can receive the Annual Report and other communications from the company electronically.

11. Brief resume of directors those proposed to be appointed, nature of their expertise in specific functional areas, names of companies, in which they hold directorship, shareholding and relationship between directors inter-se stipulated under Clause No.49 of the Listing Agreement with the stock exchanges, or provided here under:



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

ITEM NO. 5

Mr. Shiv Singh Mehta, Managing Director of Kriti Industries (India) Limited was re-appointed as a Managing Director in the company by the unanimous resolution of Board of Directors in their meeting held on 27.10.2012. The remuneration committee has considered and recommended his appointment in the company as the Managing Director for a further period of three years commencing from 12th January, 2013.

The Remuneration Committee has not recommended any remuneration for the above appointment of Mr. Shiv Singh Mehta as he is at present drawing remuneration from Kriti Industries (India) Limited. Board of Directors of the company has been given authority to review the remuneration as and when deemed fit.

Mr. Shiv Singh Mehta shall be entitled for reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the company's business from time to time.

Mr. Shiv Singh Mehta is a dynamic leader and under his initiative and directions, the company would benefit in its future endeavors. His devotion, vision and experience are essential for the continuing growth of the company. Hence the Board of Director commends the resolution for re-appointment of Mr. Shiv Singh Mehta w.e.f. 12.01.2013 for the approval of members at the ensuing annual general meeting at no remuneration.

The notice and explanatory statement may be treated as an abstract of the terms and conditions of appointment and remuneration payable to Mr. Shiv Singh Mehta, as required under section 302 of the Companies Act, 1956.

None of the directors except Mr. Shiv Singh Mehta, Mrs. Purnima Mehta and Mr. Saurabh Singh Mehta, are concerned or interested in the resolution.

ITEM NO. 6

The Board of Directors at its meeting held on 26th July, 2013 passed the resolution for re- appointment of Mr. Saurabh Singh Mehta as Executive Director of the Company w.e.f. 1st August 2013 for a period of three years on following remuneration and terms &

conditions.

- a. Salary : Rs. 100000/- per month
- b. Perquisites and allowances: Rs. 50000/- per month
The perquisites and allowances shall include House Rent Allowances, Medical Allowances and Leave travel concession.
- c. Commission: Payable for each financial year @ 1% of the net profit as computed in accordance with the provisions of Section 349 & 350 of the Companies Act, 1956.
- d. Reimbursements and other facilities; not considered as perquisites :
 - i. Reimbursement of expenses incurred for travelling, boarding and lodging during business trips; expenses of telephone at residence and cell phone;
 - ii. Provision of car with driver;
 - iii. Payment of club fees.
- e. Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the tenure, the Company has no profit or its profits are inadequate, the remuneration as set above shall be the minimum remuneration payable.
- f. No sitting fees shall be payable for attending the Board meeting or committee meeting thereof.

The notice and explanatory statement may be treated as an abstract of the terms and conditions of appointment and remuneration payable to Mr. Saurabh Singh Mehta, as required under Section 302 of the Companies Act, 1956.

Mr. Saurabh Singh Mehta, is B.E. in Computer Science from Ohio State University, USA and M.B.A. from S. P. Jain Institute, Mumbai. Mr. Mehta is keenly involved in the day to day affairs of the Company. The Board of Directors of the Company recommends his appointment.

None of the Directors except Mr. Saurabh Singh Mehta himself, Mr. Shiv Singh Mehta, Mrs. Purnima Mehta being relatives may be deemed to be interested in the resolution.



Additional information relevant for the approval of the remuneration payable to Mr. Saurabh Singh Mehta

1. General Information:

- a. **Nature of Industry:** The Company is engaged in extraction of Soyabean seed, refining soya oil.
- b. **Date or expected date of commencement of commercial production:** The company was incorporated on 24.09.1996 and taken over business of erstwhile solvent division of Kriti Industries (India) Limited w.e.f 1st January, 2010.
- c. **Financial performance as per Audited Financial Results for the year ended 31st March, 2013.**

Particular	31.03.2013 (In crores)
Income from operation	467.86
Profit before depreciation	4.75
Profit / (Loss) Before Tax	2.10
Profit after tax	1.05

d. Export Performance:

- * Foreign exchange earned for the financial year ended 31st March 2013: 76.06 Crores.

2. Information about the appointee:

- a. **Background Details:** Mr. Saurabh Singh Mehta is a B.E. in Computer Science and M.B.A. He has over 10 years of diverse experience in the Industry.
- b. **Past Remuneration drawn (during 2012-2013) :** 20.56 Lacs

- c. **Job Profile and suitability:** Mr. Saurabh Singh Mehta exercises substantial powers of management, subject to the superintendence, control and direction of the Board of Directors of the Company. He is responsible for the operations and affairs of the Company. Taking into consideration his qualifications and expertise, Mr. Saurabh Singh Mehta is best suited for the responsibilities assigned to him by the Board of Directors.

d. Remuneration Proposed: As above.

- e. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.** The remuneration proposed is commensurate with the remuneration packages paid to similar senior level appointees in other Companies.

3. Other information:

- a. **Steps taken or proposed to be taken for improvement of profitability:**

The company has taken the following steps for improvement in performance:

- * Focus on value added product.
- * Focus on Branding and Promotion.
- * Implementation of MR-1 Project.

- b. **Expected increase in productivity and profits in measurable terms:** The above steps taken by the company will yield improved working results.

Your Board proposes resolution, as set out in Item No 6 as a Special Resolution.

Details of the directors seeking appointment / reappointment at the Annual General Meeting

Name of the Director	Mr. Shiv Singh Mehta	Mr. Saurabh Singh Mehta
Date of Birth	03.03.1954	29.07.1981
Date of appointment	26.12.2009	26.12.2009
Expertise in Specific areas	Finance, Marketing, Technical and Business	Marketing, Finance and Administration
Qualification	B.E., M.B.A.	B.E., M.B.A



Name of the Director	Mr. Shiv Singh Mehta	Mr. Saurabh Singh Mehta
List of Outside Director ship held	Kriti Industries (India) Ltd. Kriti Auto and Engineering Plastics Private Limited Sakam Trading Private Limited Rajratan Global Wire Limited Chetak Builders Private Limited Organization of Plastics Processors of India	Kriti Auto and Engineering Plastics Private Limited
Chairman/ Member of the committees of the Board of Directors of the Company	Chairman: Investor Grievance's Committee Chairman: Financial Committee	
Chairman/ member of the Committees of Director of other companies in which he/she is a Director (a) Audit Committee (b) Investors' Grievance Committee (C) Remuneration Committee (d) Compensation committee	Nil Nil Kriti Industries (India) Limited Nil	Nil Nil Nil Nil
No & Percentage of Shares held	No. of Shares: 2028099 4.05%	No. of Shares: 30440 0.06%



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report together with Audited Accounts of the Company for the period ended on 31st March, 2013.

FINANCIAL RESULTS

The performance of the Company for the Year 2012-13 is summarized below:

	(Rs. in Lacs)	
PARTICULARS	2012-13	2011-12
Total Income	46786.25	45784.66
Profit/(Loss) before Interest,		
Depreciation & Taxes	1120.10	1760.62
Less: Interest	645.53	952.04
Profit Before Depreciation & Taxes	474.57	808.58
Less: Depreciation	264.10	230.32
Profit/ (Loss) Before Tax	210.47	578.26
Provision for Taxation	105.27	181.68
Net Profit/(loss)	105.19	396.58
Add: Balance Brought Forward	544.72	435.49
Profit available for Appropriation	649.91	832.07
Proposed Dividend	30.06	75.16
Corporate Dividend Tax	5.10	12.19
Transferred to General Reserve	50.00	200.00
Balance Carried over to Balance Sheet	564.75	544.72

YEAR IN RETROSPECT

The Company has achieved total Turnover of Rs. 46786.25 Lacs including exports of Rs. 7606.7 Lacs and Profit Before Tax Rs. 210.47 and Profit After Tax Rs. 105.19 Lacs.

The working of the company was adversely affected due to disparity in soya bean seed prices and realisation of protein meal in overseas market.

DIVIDEND

Your directors are pleased to recommend a dividend of Rs. 0.06 (6%) for the financial year 2012-2013 on 50103520 Equity Shares of Rs. 1/- each aggregating to Rs. 30.06 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' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that: -

1. In the preparation of Annual Accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures.
2. 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 true and fair view of the state of affairs of the Company as at end of the year ended 31st March, 2013 and of the Profit and Loss Account of the Company for that period
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts for the period ended 31st March, 2013 on a going concern basis.

DIRECTORS:

Mr. Prakash Madhav Pethe the director liable to retire by rotation has expressed his unwillingness for reappointment at the ensuing Annual General Meeting, resulting the office of the directors held by Mr. P. M. Pethe would be ceased on the closure of the Annual Genral Meeting. Board expresses their sincere appreciation to Mr. Prakash Madhav Pethe for his kind guidance given to the company during his tenure.

Mr. P. M. Pethe was the independent Director and Board proposes to find out a suitable person to appoint a new director as an Independent Director as required under Clause 49 of the Listing Agreement.

Your Board proposes for the re-appointment of Mr. Shiv Singh Mehta as the Managing Director w.e.f. 12th January, 2013 and Mr. Saurabh Singh Mehta as the Whole-Time Director w.e.f. 01st August, 2013 for a further period of 3 years and recommend to pass resolutions as set out in the notice of the annual general meeting.

**AUDITORS AND AUDITOR REPORT**

M/s. R. S. Bansal & Co., Chartered Accountant, Indore the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

The notes on Financial Statements referred to in the Auditors Report are self explanatory and do not call for any further comments.

COST AUDITOR:

Mr. S.P.S. Dangi, proprietor of M/s S.P.S Dangi, Cost Auditor was appointed as Cost Auditor for the Financial Year 2012-13. Mr. S.P.S. Dangi being eligible has expressed his willingness to be reappointed as Cost Auditor of the company for the Financial Year 2013-14.

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 is annexed hereto and forms part of this 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.

ACKNOWLEDGEMENT

We thank our banks, investors, clients, distributors, vendors and other business associates for their continued support towards conduct of efficient operations of the company throughout the year.

We take this opportunity to appreciate the contribution made by our employees at all levels for their dedicated service made towards the growth of the Company. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

FOR & ON BEHALF OF THE BOARD,

Place: Indore

Date: 26th July, 2013

Shiv Singh Mehta
Managing Director



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, 2013.

(A) CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

(1) Energy conservation devices have been installed and the equipments 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 measures are being implemented on continuous basis.

(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

	12 Months period ended March, 2013	15 Months period ended March, 2012
1. Electricity		
a) Purchased Units	6621729	8419744
Total Amount (in Rs.)	45694642	48198611
Rate/Unit (Average Rs.)	6.90	5.72
b) Own Generation		
i) Units	95204	96280
Units per ltr. of Diesel Oil (Rs.)	2.82	3.25
Cost per unit (Rs.)	18.90	12.70
ii) Through Steam Turbine / Generator		
Unit/Unit per ltr. of Diesel oil Cost/Unit		
2. Coal (specify quality & where used)		
RDM/Steam B Grade used in Boiler		
Quantity (Tones)	11500	13435
Total Cost (Rs.)	65771245	77681780
Average Rate (Rs.)	5719.24	5782.05
3. Furnace Oil		
Quantity (K.Ltr.)	-	-
Total Amount	-	-
Average Rate	-	-
4. Others/internal Generation		
Total Cost	-	-
Quantity	-	-
Rate/Unit	-	-