



# DO RIGHT

**Kriti Nutrients Limited**  
Annual Report 2020-21



# CONTENTS

<b>02</b> Corporate snapshot	<b>04</b> 'Do Right' and Kriti Nutrients Limited	<b>06</b> 'Do Right'. How this focus has translated into sustained growth	<b>10</b> Chairman and Managing Director's overview
<b>14</b> 'Do Right' represents the core of our intent and identity	<b>18</b> Operational review	<b>22</b> How we intend to enhance shareholder value	<b>26</b> Business positioning
<b>30</b> Business drivers	<b>38</b> Business model	<b>40</b> Our strategy	<b>42</b> Our value creation model
<b>44</b> Management discussion and analysis	<b>51</b> Notice	<b>63</b> Director's Report	<b>84</b> Corporate Governance Report
<b>96</b> Financial Section			

## Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically, 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects' believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

## DO RIGHT.

The post-pandemic world is likely to place a premium on health and wellness.

In this evolving world, people will need to select right and eat right.

At Kriti Nutrients, we believe 'eat right' will need to be complemented by 'Do Right'.

Living a holistic quality mindset. Protecting product integrity. Investing in research. Enhancing governance. Deepening sustainability.

With the objective to make the world a better place.

‘Do Right’ is not just a credo  
framed on the walls of the office at  
Kriti Nutrients Limited.

It is practiced and lived at the  
company.

With the objective to enhance  
value for all those associated with  
the company.

#### VISION

An energetic organisation on a long haul, charting a distinct course for customer admiration, led by a disciplined team of vibrant people.

#### MISSION

- Cherishing mutually satisfying relationships
- Encouraging innovation through creativity
- Constant technological upgradations to maintain superiority
- Inculcating team spirit amongst the workforce and ensuring their development through professional improvement in their capabilities and welfare for them and their families
- Contributing to the social and economic upliftment of the underprivileged in the society and in making the nation stronger
- Honesty in approach, transparency in work and dealings
- Adoption of green technology to conserve environment and reduction of our carbon footprint

#### VALUES

- Encouraging creativity and valuing new thoughts.
- Lending a helping hand to society's developmental needs.
- Being honest and forthright in our approach.
- Being in harmony with the natural order.
- Customer focus with world class quality and cost-effective products

#### PERSONALITY

- Simple
- Humble
- Dignified and understated elegance
- Grounded
- Confident
- Approachable
- Leader

## THE KRITI GROUP

The Kriti Group comprises three companies called Kriti Industries (India) Limited, Kriti Nutrients Limited and Kriti Auto & Engineering Plastics Pvt. Limited.

## BUSINESSES

The Company is engaged in soyabean processing, producing branded refined soyabean oil and manufacturing value-added protein-based products that address specialised applications in the food and pharmaceutical sectors.

## LOCATION

The Company's soyabean processing plant is located in

Dewas. This plant comprises modern infrastructure and equipment. The manufacturing complex comprises plants for solvent extraction, vegetable oil refining, lecithin manufacturing and effluent treatment. It also comprises all necessary utilities coupled with a complementary packaging moulding facility.

## PORTFOLIO

The Company's product portfolio comprises refined soyabean oil and value-added soyabean derivatives.

## BRAND

The Company's cooking media is marketed under the 'Kriti' brand. This brand is respected for consistency, dependability

and a superior cooking outcome. The brand accounted for a large portion of the company's revenues in 2020-21.

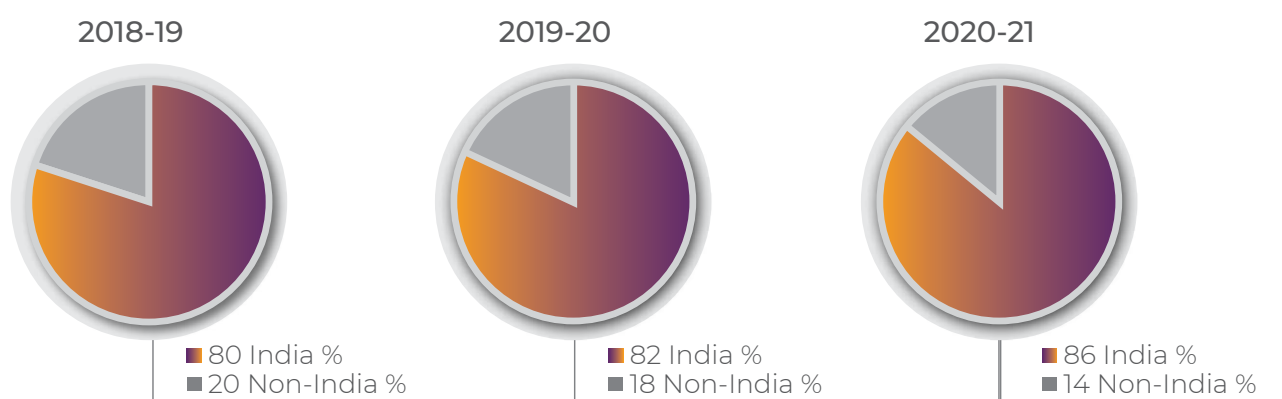
## FINANCIAL PERFORMANCE

In 2020-21, the Company generated revenues of ₹692.51 Cr and profit after tax of ₹15.06 Cr. Cash profit was ₹18.47 Cr and EBITDA margin 3.56%.

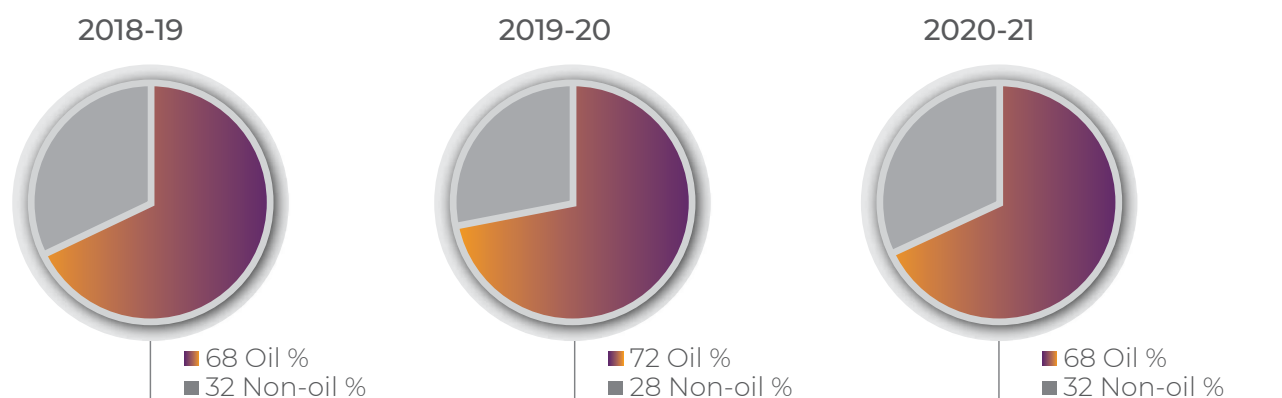
## LISTING

The Company is listed on the Bombay Stock Exchange. The Company's market capitalisation was ₹198.41 Cr as on 31<sup>st</sup> March, 2021. The promoters accounted for a 66.35% stake in the Company's equity share capital.

## KRITI NUTRIENTS: Revenues by region



## KRITI NUTRIENTS: Revenues by business



# ‘DO RIGHT’ AND KRITI NUTRIENTS LIMITED



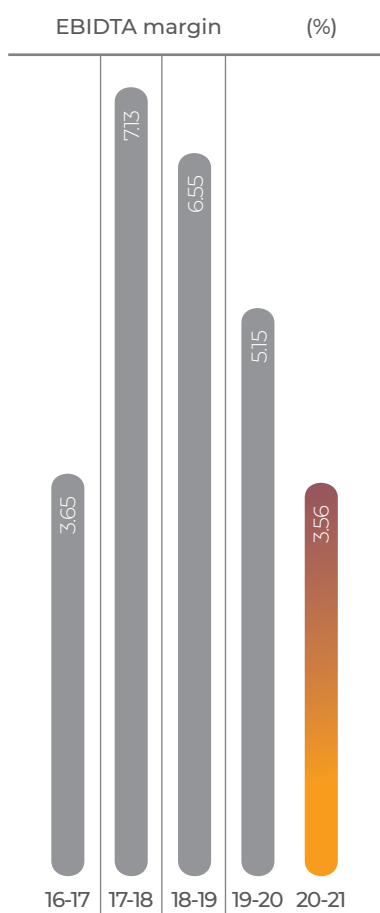




# ‘DO RIGHT’. HOW THIS FOCUS HAS TRANSLATED INTO SUSTAINED GROWTH







#### Definition

EBITDA margin is a profitability measure to ascertain a company's operating efficiency

#### Why this is measured

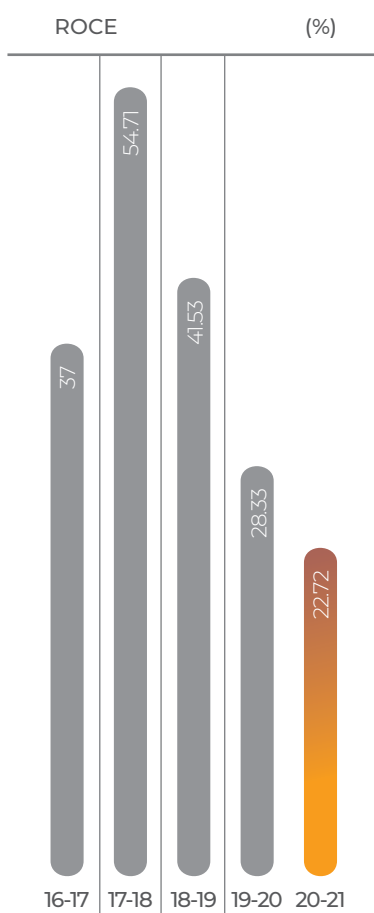
The EBITDA margin provides an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

#### What this means

This measure demonstrates the buffer in the business, which, when multiplied by scale, can potentially enhance the surplus.

#### Value impact

The Company reported a 159 bps decrease in EBITDA margin on account of resource volatility.



#### Definition

This is a financial measure of efficiency with which capital is employed in the company's business -  $\text{EBITA} / (\text{Equity} + \text{non-Current liabilities})$

#### Why this is measured

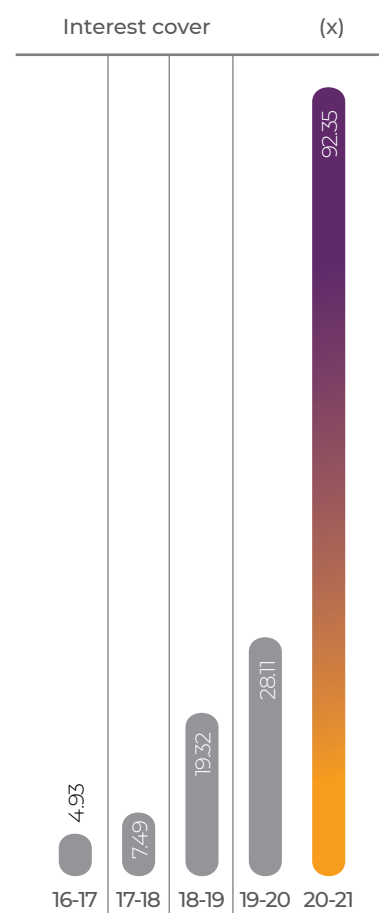
ROCE is an insightful metric to compare profitability across companies based on their respective capital efficiency.

#### What this means

Enhanced ROCE can potentially drive valuations and market perception.

#### Value impact

The Company reported a 561 bps decline in RoCE in FY 20-21 due to increased resource costs.



#### Definition

This is derived through the division of EBITDA by interest outflow

#### Why this is measured

Interest cover indicates the profit buffer available within the company to service interest – the higher the better.

#### What this means

A company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important measures in assuring shareholder returns.

#### Value impact

The Company strengthened its interest cover from 19.32 in FY 18-19 to 28.11 in FY 19-20 to 92.35 in FY 20-21, indicating the attractiveness of its under-borrowed business model.



The three  
principal  
messages we  
wish to convey  
in this annual  
report