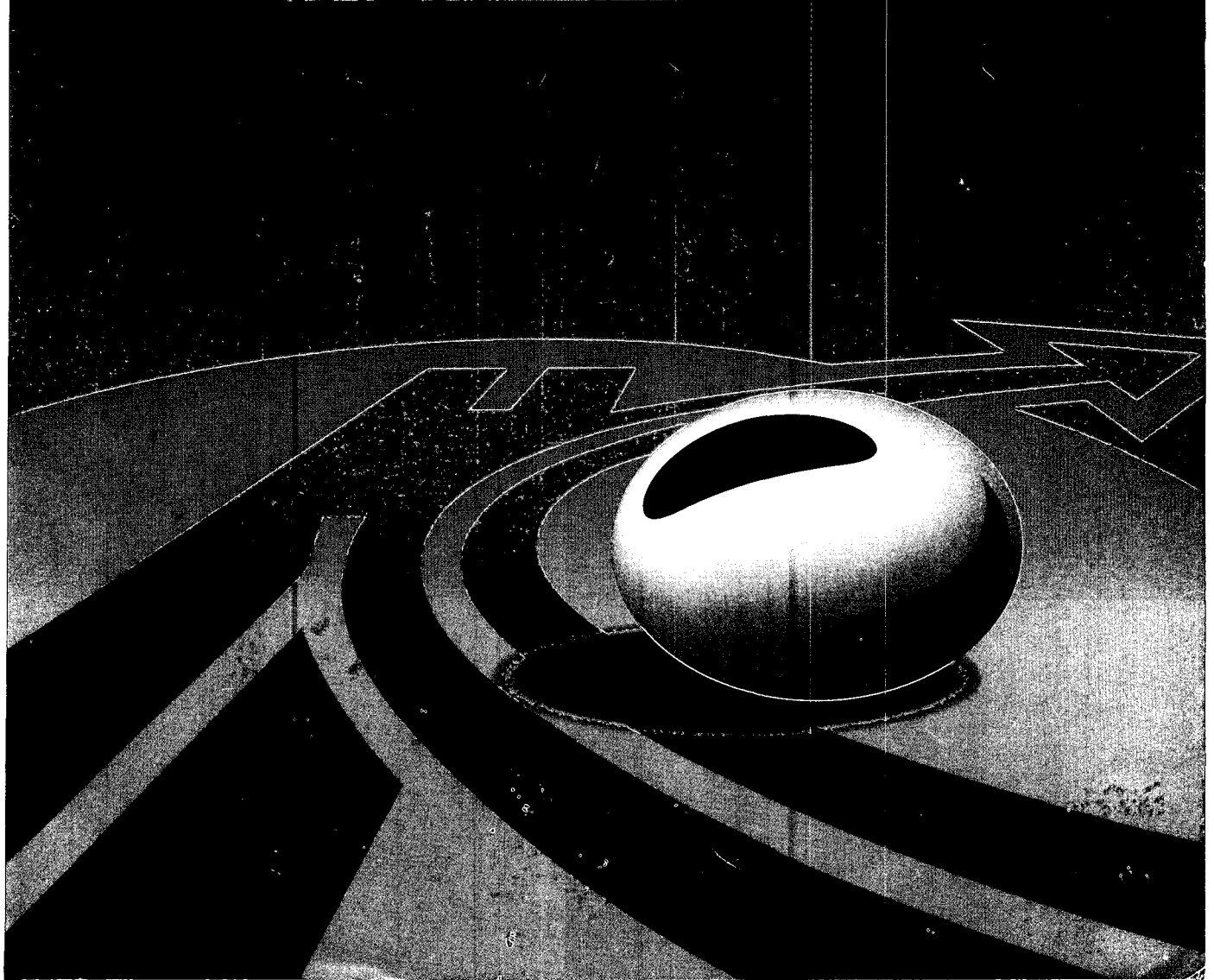
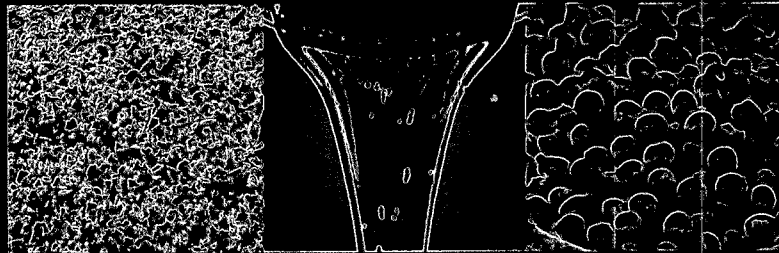




# Kriti Nutrients Limited

ANNUAL REPORT (APRIL '09-DECEMBER '09)



Dear Shareholders,

As you must be aware Kriti Industries (India) Limited has been demerged to form three separate entities. The soya division has been separated into Kriti Nutrients Limited. This demerger was done to give the soya division a special vehicle to embark upon its own journey. Looking at the unique characteristics of this industry, it was thought best to give this division scope to carve its own space. The demerger has been effective since 1st January 2010 and the figures mentioned in this report are in no way indicative or representative.

Going ahead, the management has made a conscious decision to carve out three main business verticals for Soyabean Oil, Soya Lecithin and SuperHyPro Soya bean meal. This will ensure specific emphasis and focus on each product portfolio with its different customer base.

The soya industry is well known for its unpredictable market scenario. However, due to the superior quality and good brand equity enjoyed by Kriti in the market we have been able to absorb the vagaries and remain competitive. In the future we are giving a greater thrust to value added products, which should be more beneficial.

Looking forward to your continued support.  
Best regards,



Shiv Singh Mehta

### **Board of Directors**

Shri Shiv Singh Mehta – Managing Director  
Dr. Somnath Ghosh  
Smt. Purnima Mehta  
Shri Manoj Fadnis  
Shri Prakash Pethe  
Shri Saurabh Singh Mehta

### **Auditors**

M/s Subhash Deshpande & Company  
Chartered Accountants  
403 Alankar Point, Geeta Bhavan Square,  
A.B. Road, Indore - 452 001.

### **Company Secretary**

Ms. Neha Asawa

### **Bankers**

State Bank of India  
State Bank of Indore  
State Bank of Travancore  
IDBI Ltd.

### **Registered Office**

Mehta Chambers,  
34 Siyaganj, Indore - 452 007.

### **Corporate Support Centre**

Chetak Chambers, 4th Floor,  
14 RNT Marg, Indore - 452 001.

### **Share Transfer Agent**

M/s Ankit Consultancy Pvt. Ltd.  
2nd Floor, Alankar Point,  
4-A Rajgarh Kothi, Geeta Bhavan Square,  
A.B. Road, Indore - 452 001.



## NOTICE

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Members of KRITI NUTRIENTS LIMITED will be held on Wednesday the 30th June, 2010 at 3.00 P.M. at Corporate Support Center of the company situated at " Chetak Chambers" 4th Floor, 14 R.N. T. Marg, Indore to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as at 31st December 2009 and the Profit and Loss Account for the period ended on that date together with the Directors' report and Auditors' report thereon.
2. To appoint a Director in place of Dr. Somnath Ghosh, who is liable to retire by rotation, and being eligible offers himself for reappointment.
3. 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

4. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as **Ordinary Resolution**.  
"RESOLVED THAT Shri Saurabh Singh Mehta, who was appointed as an additional director of the company with effect from 26.12.2009 and who in terms of Section 260 of the Companies Act, 1956 holds office upto the date of this meeting and in respect of whom notice has been received under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retirement by rotation.
5. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as **Ordinary Resolution**.  
"RESOLVED THAT Smt. Purnima Mehta, who was appointed as an additional director of the company with effect from 26.12.2009 and who in terms of Section 260 of the Companies Act, 1956 holds office upto the date of this meeting and in respect of whom 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 retirement by rotation.
6. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as **Ordinary Resolution**.  
"RESOLVED THAT Shri Manoj Fadnis, who was appointed as an additional director of the company with effect from 26.12.2009 and who in terms of Section 260 of the Companies Act, 1956 holds office upto the date of this meeting and in respect of whom notice has been received under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retirement by rotation.
7. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as **Ordinary Resolution**.  
"RESOLVED THAT Shri Shiv Singh Mehta, who was appointed as an additional director of the company with effect from 26.12.2009 and who in terms of Section 260 of the Companies Act, 1956 holds office upto the date of this meeting and in respect of whom notice has been received under Section 257 of the Companies Act, 1956

proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company not liable to retirement by rotation.

8. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as **Ordinary Resolution**.  
"RESOLVED THAT Shri Prakash Madhav Pethe, who was appointed as an Additional Director of the company with effect from 12.01.2010 and who in terms of Section 260 of the Companies Act, 1956 holds office upto the date of this meeting and in respect of whom notice has been received under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retirement by rotation.
9. 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 316, 269, 302 read with the Schedule XIII and all other provisions of the Companies Act, 1956 as may be applicable, and subject to the approval of members in the general meeting, Mr. Shiv Singh Mehta who is already the Managing Director of another company, namely Kriti Industries (India) Limited be and is hereby confirmed as a Managing Director of the Company for a period of three years commencing from 12th January 2010, on the terms and conditions contained in the explanatory statement.  
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.
10. 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 372(A) of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956 authority be and is hereby granted to the Board of Directors to provide loan in excess of the 60 % of the aggregate of the paid-up share capital and free reserves and/or upto 100% of the aggregate of free reserves of the Company as per the limits prescribed under Section 372(A) to the other bodies corporate as they may in their absolute discretion deem beneficial and in the interest of the Company subject to the maximum aggregate amount not exceeding Rs. 300 Lacs at any time over and above the normal limits of 60 % of the aggregate of the paid-up share capital and free reserves and/or upto 100% of the aggregate of free reserves.  
RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorised to negotiate the terms, condition, quantum of loan, repayment, interest and other related matters for providing any loan, guarantee and securities to the above said bodies corporate and to do all such deeds and things as may be deemed expedient and necessary to give effect to this resolution.

Place: Indore

By order of the Board,

Date: 26th April, 2010

Neha Asawa  
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 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 Register of Members and Share Transfer Books of the Company will be closed from 24th June 2010 to 30th June 2010 (both days inclusive) for the purpose of Annual General Meeting.
3. 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.
4. Members are requested to:
  - A. Notify immediately any change in their address to the Company quoting their folio numbers.
  - B. Write to the Company at least 7 days before the date of the meeting, if any information with regard to accounts is required, so as to enable the management to keep the information ready.
  - C. 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.
5. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item no. 4-10 set out above is annexed hereto.

**ANNEXURE TO THE NOTICE**

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

**ITEM NO. 4**

Mr. Saurabh Singh Mehta was appointed as an additional director of the company on 26.12.2009 to hold office till the date of ensuing Annual General Meeting of the company. The company has received the notice from the member of the company under Section 257 of the Companies Act, 1956, proposing the name of Mr. Saurabh Singh Mehta to be appointed as the Director of the Company subject to retirement by rotation.

Mr. Saurabh Singh Mehta is a B.E., MBA and has almost eight years of experience in the field.

Your directors feel that his appointment as the director will be of benefit to the Company and therefore commends the resolution for your approval.

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

**ITEM NO. 5**

Mrs. Purnima Mehta was appointed as an additional director of the company on 26.12.2009 to hold office till the date of ensuing Annual General Meeting of the company. The company has received the notice from the member of the company under Section 257 of the Companies Act, 1956, proposing the name of Mrs. Purnima Mehta to be appointed as the Director of the Company subject to retirement by rotation.

Mrs. Purnima Mehta is a B.A. (Hons.) in Economics and has also done her PGDBM She has an in-depth experience of seventeen years. She has been the Director of Kriti Industries (India) Limited and had been instrumental in its growth and development.

Your directors is of the opinion that under the initiative and direction of Mrs. Purnima Mehta, the Company has benefited in its overall operations and therefore commends the resolution for your approval.

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

**ITEM NO. 6**

Mr. Manoj Fadnis was appointed as an additional director of the company on 26.12.2009 to hold office till the date of ensuing Annual General Meeting of the company. The company has received the notice from the member of the company under Section 257 of the Companies Act, 1956, proposing the name of Mr. Manoj Fadnis to be appointed as the Director of the Company subject to retirement by rotation.

Mr. Manoj Fadnis is the fellow member of the Institute of Chartered Accountants of India with more than 21 years of post qualification experience.

Your directors feel that his appointment as the director will be of benefit to the Company and therefore commends the resolution for your approval.

None of the directors except Mr. Manoj Fadnis is concerned or interested in the resolution.

**ITEM NO. 7**

Mr. Shiv Singh Mehta was appointed as an additional director of the company on 26.12.2009 to hold office till the date of ensuing Annual General Meeting of the company. The company has received the notice from the member of the company under Section 257 of the Companies Act, 1956, proposing the name of Mr. Shiv Singh Mehta to be appointed as the Director of the Company subject to retirement by rotation.

Mr. Shiv Singh Mehta is a B.E. and M.B.A. and also the founder, key promoter and Managing Director of Kriti Industries (India) Limited.

Your directors feel and is of the opinion that under the initiative and direction of Mr. Shiv Singh Mehta, the Company has benefited in its overall operations and therefore commends the resolution for your approval.



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

**ITEM NO. 8**

Mr. Prakash Madhav Pethe was appointed as an additional director of the company on 12.01.2010 to hold office till the date of ensuing Annual General Meeting of the company. The company has received the notice from the member of the company under Section 257 of the Companies Act, 1956, proposing the name of Mr. Prakash Madhav Pethe to be appointed as the Director of the Company subject to retirement by rotation.

Mr. Prakash Madhav Pethe is a consultant of EXIM/ Forex Business and International Banking and Finance also OSD (Training) FEDAI, Mumbai.

Your directors feel that his appointment as the director will be of benefit to the Company and therefore commends the resolution for your approval.

None of the directors except Mr. Prakash Madhav Pethe is concerned or interested in the resolution.

**ITEM NO.9**

Mr. Shiv Singh Mehta , Managing Director of Kriti Industries (India) Limited was appointed in the company as a Managing Director by the unanimous resolution of Board of Directors in their meeting held on 12.01.2010. The remuneration committee has considered and recommended his appointment in the company as the Managing Director for a period of three years commencing from 12th January 2010.

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 entitle 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 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 Directors commends the resolution for appointment of Mr. Shiv Singh Mehta w.e.f. 12.01.2010 for the approval of members in ensuing annual general meeting, at no remuneration.

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

**ITEM NO. 10**

The Company is engaged in the seasonal business and thus the company may have some surplus funds in the slack period and hence company may require to invest the excess fund by giving loan to other body corporate from time to time. This is being enabling resolution to comply Section 372A of the Companies Act, 1956 and hence your directors commend the above resolution as special resolution.

**Details of the directors seeking reappointment at the Annual General Meeting**

Name of the Director	Mr. Manoj Fadnis	Mr. Prakash Madhav Pethe	Dr. Somnath Ghosh
Date of Birth	16.07.1962	23.09.1948	31.05.1953
Date of appointment	26.12.2009	12.01.2010	01.05.2007
Expertise in Specific areas	Company Law, Taxation and Accounting	Forex, International Banking and Finance	HR, Organisation Design and Institutional Development specialist.
Qualification	FCA	M.Com, DBM	M.A., M.Phil, PH.D
List of Outside Directorship held	Fadnis Gupte Consultants Pvt. Limited ICAI Accounting Research Foundation Kriti Industries (India) Limited Kriti Auto & Engineering Plastics Pvt. Ltd. Design Auto Systems Limited Biotech Bonaza Limited M.P. Stock Exchange Limited.	Nil	PAN Network Pvt. Ltd. KBS Local Area Bank Kriti Industries (India) Limited
Chairman/ Member of the committees of the Board of Directors of the Company	Chairman: Audit Committee Member: Financial Committee Chairman: Remuneration Committee Member: Investors' Grievance	Member: Remuneration Committee Member: Audit Committee	Member: Investors' Grievance Committee Member: Remuneration Committee

## Kriti Nutrients Ltd.

Chairman/ member of the Committees of Director of other companies in which he/she is a Director			
(a) Audit Committee	Kriti Industries (India) Limited	Nil	Nil
(b) Investors' Grievance Committee	Nil	Nil	Kriti Industries (India) Limited
(C) Remuneration Committee	Kriti Industries (India) Limited	Nil	Nil
(d) Compensation committee	Nil	Nil	Nil

Name of the Director	Mr. Shiv Singh Mehta	Mrs. Purnima Mehta	Mr. Saurabh Singh Mehta
Date of Birth	03.03.1954	26-05-1960	29.07.1981
Date of appointment	26.12.2009	26.12.2009	26.12.2009
Expertise in Specific areas	Finance, Marketing, Technical and Business Administration.	Accounts & Finance, Purchases, IT, HR & Administration	Marketing, Finance
Qualification	B.E., M.B.A.	B.A.(Hons), PGDBM	B.E., MBA
List of Outside Directorship held	Rajratan Global Wires Ltd. Kriti Industries (India) Limited Kriti Auto & Engineering Plastics Pvt. Ltd. Sakam Trading Pvt. Limited	Kriti Industries (India) Limited Kasta Pipes Pvt. Ltd. Shipra Pipes Pvt. Ltd. Chetak Builders Pvt. Ltd. Kriti Auto Accessories Pvt. Ltd. Sakam Trading Pvt. Ltd.	Kriti Auto & Engineering Plastics Pvt. Ltd. Kriti Corporate Services Pvt. Ltd. Shipra Pipes Pvt. Ltd. Kasta Pipes Pvt. Ltd.
Chairman/ Member of the committees of the Board of Directors of the Company	Chairman: Investors' Grievance Committee Chairman: Financial Committee	Member: Financial Committee Member: Audit Committee	Nil
Chairman/ member of the Committees of Director of other companies in which he/she is a Director			
(a) Audit Committee	Rajratan Global Wires Limited	Nil	Nil
(b) Investors' Grievance Committee	Rajratan Global Wires Limited	Nil	Nil
(C) Remuneration Committee	Kriti Industries (India) Limited	Nil	Nil
(d) Compensation committee	Rajratan Global Wires Limited	Nil	Nil



## DIRECTORS' REPORT

Your Directors have the pleasure of presenting the Annual Report together with Audited Accounts of the Company for the period ended on 31st December, 2009.

Pursuant to the Scheme of Arrangement as approved by the Hon'ble High Court of Madhya Pradesh Bench at Indore, the solvent division of Kriti Industries (India) Limited (KIIL) is vested and transferred into the company w.e.f. 1st January 2010. Hence the following Financial Statements closed on 31st December 2009 does not include manufacturing activities of the solvent division of the original company (KILL) from where it has been vested into the company.

### The brief financial results are as under:

	Current Year (Rs.)	Previous Year (Rs.)
Total Income	0.00	80.00
Total Expenditure	507061.00	159632.00
Profit/(Loss) before tax	(507061.00)	(159552.00)
Profit/ (Loss) after Tax	(507061.00)	(159552.00)

Since the appointed date for the scheme of Arrangement has been fixed as 1st January 2010, for accounting and operational efficiency, the next accounting year of the company has started from 1st January instead of 1st April. Accordingly operating results of manufacturing activities will be reflected in the year commenced from 1st January 2010.

### DIVIDEND

Your directors have not recommended dividend for the period ended 31st December 2009.

### ALLOTMENT OF SHARES:

Pursuant to the scheme of Arrangement, the company allotted 49603520 shares to the shareholders of Kriti Industries (India) Limited. Subsequently the company applied to BSE and MPSE on 2nd February 2010 for the listing of shares, which is pending for approval.

### 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 period ended 31st December, 2009 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 December 2009 on a going concern basis.

### DIRECTORS:

Mr. Somnath Ghosh retires by rotation and being eligible offers himself for re-appointment.

The Board had appointed five additional directors, Mr. Prakash Pethe, Mr. Manoj Fadnis, Mr. Shiv Singh Mehta, Mrs. Purnima Mehta & Mr. Saurabh Singh Mehta, in the company and they hold the office till the date of ensuing Annual General Meeting and are then to be appointed as directors in the company. During the year Mr. M.L. Jain and Mr. G. P. Bhargava resigned from the board of director of the company. The Board places on record its appreciation for valuable guidance and services rendered by Mr. M. L. Jain and Mr. G. P. Bhargava to the company, during their tenure.

Mr. Shiv Singh Mehta who is a Managing Director in Kriti Industries (India) Limited was also appointed as the Managing Director in the company w.e.f. 12.01.2010

### 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)(c) read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 are not applicable to the company.

#### 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.

#### 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,

Sd/-

Shiv Singh Mehta  
Managing Director

Sd/-

Purnima Mehta  
Director

Place: Indore

Date: 26th day of April, 2010

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **1. INDUSTRY STRUCTURE AND DEVELOPMENT**

The company is currently operating in soya oil, DOC, Lecithin and other products.

**Indian Soya Crop Scenario:** In the year under review, the crop is estimated to be 9.60 million MT. This year the Soya Bean prices were very high right from beginning i.e. October 2009 and were not aligned with international price levels. This has affected operations of Soya industry. During the first six months of current soya season, Indian Soya Bean Meal Export are **down by 43%** at 1.47 million MT, as against this is 2.58 million MT last year with low crushing in first half, carry forward bean stocks for second half are high. This will result in better bean availability in the remaining period of the year. We believe that the Indian Soya Bean prices should align to the international trend in coming months and giving good crushing opportunity.

**International Soya Crop Scenario:** The global production of Soya Bean for the current year 2009-10 is expected to be a record 258 million MT. United States, the largest Soya Bean growing country in the world, has the same soya cycle period as India. During current year, United States has a crop of 91.42 million MT (Previous year 80.75 million MT). The South American Countries like Brazil and Argentina are the second and third largest soya bean growing countries respectively. The harvest in Brazil and Argentina is almost complete and they are also expected to have record crop of 68.00 & 54.00 million MT as compared to previous year of 57.80 & 32.00 million MT respectively.

The South East Asian countries are major consumers of Soya bean Meal and are entirely dependent on imports from Argentina, India, Brazil and USA. Indian SBM has an advantage over the Western varieties due to higher protein content and lower logistics cost with short voyage time. These countries import roughly 19-20 million MT per annum, out of which Indian contribution is about 2.10 million MT and the balance demand, is met from South America and USA. Though demand in these countries is growing at a moderate rate a slight shift towards India can be big quantity from Indian view point. In case of domestic seed price correction it can give good opportunity for processors.

#### **Opportunity**

India enjoys an added advantage of producing entirely Non-GMO crops, with higher protein and nutritional values which strengthens its hold in the world markets, especially in food segment.

#### **Threats**

The Indian contribution to the global soya is less than 4% and with record global crop 255 million MT which may lower the international prices of SBM and Oil. The domestic prices of the seed, meal and oil are impacted by the international prices. Therefore, maintaining the price parity of our products may be a challenging task. Further, the Macroeconomic and Global issues of inflation, and recession and currency exchange rates may have an effect on the pricing and demand.

#### **Business Strategy**

KNL markets its High Protein SBM mainly to South East Asian Countries and the company's focus will be on: -

- ▲ Entering into food segment
- ▲ Strengthening domestic market
- ▲ Introduction of higher grade SBM
- ▲ Customer education on quality, adulteration and certification
- ▲ Strengthening Distribution network

### **2. FINANCIAL PERFORMANCE**

The business of solvent division of Kriti Industries (India) Limited is transferred and vested in the company from 01.01.2010 pursuant to the order of Hon'ble High Court of M.P. Bench at Indore approving the scheme of Arrangement.





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## **2.1 Financial Position**

### **Share Capital:**

The share capital of the company consists of Equity Share Capital. The total paid-up share capital of the company as on 31.03.2010 consists of 50103520 equity shares of Re. 1/- each.

### **Fixed Assets:**

The net investments in fixed assets, including Capital work in progress are Rs. 43628.

### **Current Assets:**

Net Current Assets as on 31st December 2009 were Rs. 400175.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The company has established a comprehensive internal controls commensurating with size and nature of its operations across all business units, which ensure that all the assets of the company are duly recorded at fair value, and safeguarded against all the losses from any unauthorized use or disposition. The system has been designed, so as to provide reasonable assurance in respect of recording and providing relevant and reliable financial and operational information.

## **DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The company enjoys cordial industrial relations. The company conducts in house training programs for motivating and developing leadership qualities at all levels.

## **CAUTIONARY STATEMENT**

Estimates and expectations stated in this Management Discussion and Analysis Report may be "forward-looking statements" 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 incidental factors.

**CORPORATE GOVERNANCE REPORT**

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Pursuant to the Scheme of Arrangement, the solvent division of Kriti Industries (India) Limited (KIIL) is vested and transferred into the company as on the appointed date fixed by the Hon'ble High Court of Madhya Pradesh Bench at Indore i.e. 1st January 2010.

Application for listing of shares was made on Bombay Stock Exchange and Madhya Pradesh Stock Exchange on 2nd February 2010. Approval of the same is pending.

In accordance with the Listing Agreement the company has complied with all listing agreement norms including Corporate Governance, Composition of Board of Directors, etc. at its meeting held on 12th January, 2010.

**BOARD OF DIRECTORS**

The Board of Directors of the KNL consists of an optimum combination of executive, non-executive and independent directors, to ensure the independent functioning of the Board. The Board consists of six Directors. Out of which five are non-executive directors. Three out of the five non-executive directors are independent.

**Directors retiring by rotation and seeking for re-appointment**

Dr. Somnath Gosh retires by rotation and being eligible offers himself for re-appointment.

As required under Clause 49 of the Listing Agreement, information such as brief resume, nature of expertise and other directorships is given here below.

<b>Name of the Director</b>	<b>Dr. Somnath Ghosh</b>
Date of Birth	31.05.1953
Date of Appointment	01.05.2007
Expertise in specific area	HR, Organisation Design and Institutional Development specialist.
Qualification	M.A., M.Phil, PH.D
List of Outside Directorship held	PAN Network Pvt. Ltd. KBS Local Area Bank Kriti Industries (India) Limited
Chairman/ Member of the committees of the Board of Directors of the Company	Member: Investors' Grievance Committee Member: Remuneration Committee
Chairman / member of the Committees of Director of other companies in which he/she is a Director	
(a) Audit Committee	Nil
(b) Investors' Grievance Committee	Kriti Industries (India) Limited
(c) Remuneration Committee	Nil
(d) Compensation committee	Nil

The composition of the Board of Directors and the number of board committee in which they are chairman/ member are as under:

Name	Category	No. of Directorship in other Public Limited Companies	No. of Committee position held in other Public Limited Companies	
			Chairman	Member
Shri Shiv Singh Mehta	Promoter & Executive Director	Three	One	Three
Smt. Purnima Mehta	Promoter & Non-Executive Director	One	Nil	Nil
Shri Manoj Fadnis	Independent & Non-Executive Director	Five	One	One
Shri Saurabh Singh Mehta	Non-Executive Director	One	Nil	Nil
Shri Prakash Pethe	Independent & Non-Executive Director	Nil	Nil	Nil
Dr. Somnath Ghosh	Independent & Non-Executive Director	One	Nil	One

**Board Procedure**

Six meetings of the Board of Directors were held during the period ended 31st December 2009

The dates of the meetings were decided in advance and key information was placed before the Board. The Board of Directors meetings were held on 17th April, 2009; 21st August, 2009; 7th September 2009 and 1st November 2009, 3rd November 2009, 26th December 2009.



### Attendance record of Directors

The names and categories of the Directors on the Board, their record of attendance at Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorship and membership of Committees held by them in other public limited companies as on 31st December, 2009 are:

	No. of Board Meetings held during the year	No. of Board Meetings Attended	Attendance at the last AGM held on 30th September 2009
Shri M.L. Jain*	6	5	Yes
Shri G. P. Bhargava*	6	5	Yes
Smt Purnima Mehta#	6	1	No
Shri Shiv Singh Mehta#	6	1	No
Shri Manoj Fadnis#	6	1	No
Dr. Somnath Gosh	6	6	Yes
Shri Saurabh Singh Mehta#	6	1	No

\* Resigned on 26.12.2009

# Appointed on 26.12.2009

Shri Prakash Pethe was appointed as a Additional Director on 12.01.2010

### AUDIT COMMITTEE

#### (A) Terms of reference

The Audit Committee has adequate powers and detailed terms of reference to play effective role as required under the provisions of the Companies Act 1956, and Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

#### (B) Constitution and Composition

The terms of reference of the audit committee are extensive and include all that is mandated in clause 49 of the Listing Agreement with the Stock Exchange and Section 292 A of the Companies Act, 1956. The Company has complied with the requirements of clause 49(II)(A) of the Listing Agreements as regards composition of the Audit Committee.

The Audit Committee of the Company as on 31st March 2010 comprises of the following Directors of the Company.

Name of the Director	Designation
Mr. Manoj Fadnis	Chairman
Mr. Prakash Pethe	Member
Mrs. Purnima Mehta	Member

All the three members of the audit committee are non-executive directors and two of them are independent.

### REMUNERATION OF DIRECTORS

#### (A) Terms of reference

The Remuneration Committee recommends remuneration, promotions, increments etc. for the whole time directors and relative of the Directors to the Board for approval

#### (B) Constitution and Composition

The Remuneration Committee of the Company as on 31st March, 2010 comprises of the following Directors of the Company.

Name of the Director	Designation
Mr. Manoj Fadnis	Chairman
Dr. Somnath Gosh	Member
Mr. Prakash Pethe	Member

All the three members of the remuneration committee are non-executive and independent directors.

#### Remuneration to Directors

No remuneration was paid to the non-executive directors. Managing Director also appointed with nil remuneration.

## Kriti Nutrients Ltd.

### DISCLOSURES

#### A. Disclosure regarding materially significant related party transactions:

The Company has not entered into any transactions of material nature with the promoters or directors or their relatives or any Companies or firms in which they are directly or indirectly interested, that may have any potential conflict with the interests of the Company.

#### B. Disclosure of non-compliance by the Company:

There was no instance of non-compliance on any matter related to the capital markets, during the last three years.

### COMMUNICATION TO SHAREHOLDERS

As per the relevant regulations of Stock Exchanges and SEBI the Company will publish quarterly and yearly as required under the Listing Agreement in the prescribed format. The results will be sent to the Stock Exchanges for general information and for posting the same on their web site. The notice of the AGM along with the report will be sent to the shareholders well in advance of the AGM.

Management Discussion and Analysis Report form part of the Annual Report.

### INVESTORS' GRIEVANCE COMMITTEE

The Board of Directors of the Company constituted the Investors' Grievance Committee consisting of:

Name of the Director	Designation
Shri Shiv Singh Mehta	Chairman
Shri Manoj Fadnis	Member
Dr. Somnath Ghosh	Member

### INFORMATION ON GENERAL BODY MEETINGS

The details of the location and time for last three Annual General Meetings are given hereunder:-

Year	Location	Date	Time
2006-2007	Mehta Chambers, 34 Siyaganj, Indore	29th September, 2007	11.00 A.M.
2007-2008	Mehta Chambers, 34 Siyaganj, Indore	30th September, 2008	11.30 A.M.
2008-2009	Mehta Chambers, 34 Siyaganj, Indore	30th September, 2009	9.00 A.M.

### GENERAL SHAREHOLDER INFORMATION

#### Annual General Meeting

The Annual General Meeting of the Company will be held on Wednesday, the 30th June 2010 at 3.00 P.M. at Corporate Support Center of the company situated at "Chetak Chambers" 4th Floor, 14 R.N.T. Marg, Indore.

#### Financial Calendar for the year 2010 (Provisional)

a.	Results for the first quarter ending 31st March, 2010	By end of April, 2010
b.	Results for the second quarter ending 30th June, 2010	By end of July, 2010
c.	Results for the Third quarter ending 30th September, 2010	By end of October, 2010
d.	Results (Audited) for the fourth quarter ending 31st December, 2010	By end of February, 2011
e.	Annual General Meeting for the year ending December, 2010	By end of June, 2011

#### Book Closure Dates

The Company's Share Transfer Book will remain closed from 24th June 2010 to 30th June 2010 (both days inclusive) for purpose of Annual General Meeting.

#### Stock Code

NSDL & CDSL-ISIN: - INE798K01010

#### Market Price Data

The company is not listed on the stock exchange and hence the market price is not available.



## Share Transfer System

The Share Transfer-cum-Investors Grievance Committee attends to share transfer formalities once in a fortnight. Demat requests are normally confirmed within an average period of 15 days from the date of receipt. The Company has appointed following agency as Share Transfer Agent (Electronic + Physical). The shareholders may address their communication, suggestions, grievances and queries to:

### Ankit Consultancy Pvt. Limited

2nd Floor, Alankar Point,

4-A, Rajgarh Kothi,

Geeta Bhawan Chouraha,

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

Tel. 0731-2491298, Fax 0731-4065798

E-mail: ankit\_4321@yahoo.com

## Shareholding Pattern & Distribution of Shareholding

### Shareholding Pattern as on 31.03.2010

Category	No. of Shares held	Percentage of Shareholding
<b>A. Promoter's holding</b>		
1. Promoters		
a. Indian Promoters	33092878	66.05
b. Foreign Promoters	-	-
2. Persons acting in concert	-	-
Sub-Total	33092878	66.05
<b>B. Non-Promoter's holding</b>		
3. Institutional Investors		
a. Financial Institution and Banks	1600	0.00
b. FIIs	-	-
Sub-Total	1600	0.00
4. Others		
a. Corporate Bodies	866311	1.73
b. Indian Public	15978679	31.89
c. NRIs/OCBs	164052	0.33
Sub-Total	17009042	33.95
<b>GRAND TOTAL</b>	<b>50103520</b>	<b>100.00</b>

### Distribution of Shareholding as on 31st March, 2010

No. of Shares	No. of Shareholders	% of Shareholders
1-1000	4231	66.77
1001-2000	1145	18.07
2001-3000	293	4.62
3001-4000	364	5.74
4001-5000	26	0.41
5001-10000	137	2.16
10001 & above	141	2.23
<b>Total</b>	<b>6337</b>	<b>100.00</b>

### Details of Demat Shares as on 31st March 2010

	No. of Shareholders/Beneficial Owners	No. of Shares	% of Capital
NSDL	2310	44028242	87.87
CDSL	1101	1630398	3.25
Sub-Total	3411	45658640	91.12
Shares in physical form	2926	4444880	8.88
<b>Grand Total</b>	<b>6334</b>	<b>50103520</b>	<b>100.00</b>

# Kriti Nutrients Ltd.

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## Outstanding Convertible Instruments

There are no outstanding warrants or any convertible instruments.

## Plant locations of the Company

Industrial Area No. 3, Dewas (M.P)

## Address for communication

The shareholders may address their communication, suggestions, grievances and queries to:

### Ankit Consultancy Pvt. Limited

2nd Floor, Alankar Point,

4-A, Rajgarh Kothi, Geeta Bhawan Chouraha,

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

Tel. 0731-2491298, Fax 0731-4065798

E-mail: ankit\_4321@yahoo.com

## Cost of Acquisition of the Equity Shares

Pursuant to the scheme of Arrangement/demerger, for determining the cost of acquisition of equity shares of the Kriti Nutrients Limited and Kriti Industries (India) Limited, shareholders are advised to apportion their pre-demerger cost of acquisition of Company's shares in the following manner:

Name of Company	Proportionate Cost (%)
Kriti Industries (India) Limited	79.10 %
Kriti Nutrients Limited	20.90 %

## Auditors' Certificate on Corporate Governance

The company has obtained a certificate from the auditors of the company regarding compliances with the provisions of the corporate governance laid down in Clause 49 (VII) of the Listing Agreement with Stock Exchanges.

## AUDITORS' REPORT ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

### To the Shareholders of Kriti Nutrients Limited

We have examined the compliance of the conditions of Corporate Governance by Kriti Nutrients Limited, Indore for the period ended 31st December, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an 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, the Company has complied with the conditions of Corporate Governance as stipulated in the above 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 Investor / Shareholders Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Subhash Deshpande & Co.  
Chartered Accountants  
F.R.N. 000476C

Place : Indore

Date : 26th April, 2010

(R.D.Asawa)  
Partner



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## AUDITOR'S REPORT

To

**The Member of**

**Kriti Nutrients Limited,**

- 1) We have audited the attached Balance Sheet of Kriti Nutrients Limited as at 31st December, 2009 and also the Profit and Loss Account & the Cash Flow Statement of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) We report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of accounts required by law have been kept by the company as far as appears from our examination of such books.
  - c) The Balance Sheet and Profit & Loss Accounts & Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet and Profit and Loss Account & Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of the written representations received from the directors as on 31st December, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st December, 2009 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to the explanation given to us, the said accounts read with significant accounting policies and other notes thereon, gives the information required by the Companies Act, 1956, in the manner required and gives a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) In the case of Balance Sheet of the state of affairs of the Company as at 31st December, 2009;
  - ii) In the case of Profit and Loss Account of the loss of the company for the period ended on that date; and
  - iii) In the case of Cash Flow Statement, of the cash flows for the period ended on that date.
5. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditors Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and according to information & explanation given to us and on the basis of such checks we considered appropriate, we further state that:
  - (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

- (b) The Company has physically verified certain assets during the year in accordance with a programme of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the Company has not made any disposal of fixed assets during the year.
- (ii) (a) Since there is no inventory and therefore question of physical verification and maintenance of its record does not arise.
- (iii) (a-d) Since Company has not given any loan, to firms, Companies or other parties covered in the register maintained under section 301 of the Companies Act 1956, hence clause ( a-d) are not applicable.
- (e) The Company has taken loan from person covered in the register maintained u/s 301 of the Companies Act 1956. The maximum amount involved during the year 130430/- and credit balance Rs. 130430/-.
- (f) No interest has been given on loan, however other term and condition are not prejudicial to the interest of the Company.
- (g) There is no stipulated time for repayment of principal and therefore question of comments over regularity of repayment, does not arise.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets, however there is no sale/purchase of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act that needs to be entered into the register maintained under that Section, have been so entered.
- (b) According to the information and explanations given to us, there is no transaction in excess of Rs. 5 lakhs in respect of any party and hence the question of reasonable prices in respect of such transactions with regard to the prevailing market prices does not arise.
- vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under and therefore clause is not applicable to the company.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- viii) The Company is not required to maintain cost records in terms of Sec 209(1)(d) of the Companies Act, 1956.
- ix) (a) According to the information and explanation given to us and the records of the Company examined by us, there were no undisputed dues either paid during the period nor payable and hence question of our comments on their regular deposit or otherwise does not arise.
- (b) According to the records of the Company, there are no disputed dues in respect of Sales Tax, Entry Tax and Income Tax.
- (x) The Company has accumulated losses at the end of the financial year and has incurred cash losses during the current and the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanation given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions, banks or debenture holders.





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- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  - (xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
  - (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other Investments.
  - (xv) Company has not given any guarantees for loans taken by others from banks or institutions, and therefore commenting over terms and conditions does not arise.
  - (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, that no term loans has been taken by the Company and therefore question of comments over its utilization does not arise.
  - (xvii) According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have prima facie not been used during the year for long term investment (fixed assets, etc).
  - (xviii) The Company has not made preferential allotment of shares to the parties and companies under section 301 of the Act.
  - (xix) The Company has not issued any debentures during the year.
  - (xx) The Company has not raised any money by public issue during the year, and therefore question of endure does not arise.
  - (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For **SUBHASH DESHPANDE & CO.**  
CHARTERED ACCOUNTANTS  
F.R.N. 000476C

**(R.D. ASAWA)**  
PARTNER  
M.No. 16562

PLACE: INDORE  
DATED: 26th APRIL, 2010

**Kriti Nutrients Ltd.****BALANCE SHEET AS AT 31.12.2009**

PARTICULARS	SCHEDULE	As at	As at
		31.12.09 (9 months) (Rs.)	31.03.09 (12 Month.) (Rs.)
<b>SOURCES OF FUNDS</b>			
Share Holder's Fund			
Share Capital	1	500000	500000
<b>LOAN FUNDS</b>			
Inter Corporate Deposits		130430	130430
<b>RESERVE &amp; SURPLUS</b>			
Profit & Loss A/c (As per a/c annexed)		0	348977
	<b>TOTAL</b>	<b>630430</b>	<b>979407</b>
<b>APPLICATION OF FUNDS</b>			
Fixed Asset	2		
Gross Block		59000	59000
Less: Accumulated Depreciation		15372	9302
Net Block		43628	49698
INVESTMENTS	3	6880	6880
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Cash & Bank Balances	4	400175	144918
Loans & Advances		24421	295421
		424596	440339
Less: Current Liabilities & Provisions	5	2758	6124
Net Current Assets	<b>TOTAL</b>	<b>421838</b>	<b>434215</b>
<b>MISCELLANEOUS EXPENDITURE</b>			
Deferred revenue expenditure (To the extent not written off or adjusted)		0	488614
Profit & Loss A/c (As per a/c annexed)		158084	0
<b>NOTES ON ACCOUNT &amp; SIGNIFICANT ACCOUNTING- POLICIES</b>			
	<b>TOTAL</b>	<b>630430</b>	<b>979407</b>

Place: Indore  
Dated: 26th April 2010

Shiv Singh Mehta  
(Managing Director)

Purnima Mehta  
(Director)

Neha Asawa  
(Company Secretary)

FOR SUBHASH DESHPANDE & CO.  
Chartered Accountants  
F.R.N. 000476C

( R.D. ASAWA )  
PARTNER  
M.No. 16562



**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31.12.2009**

<b>PARTICULARS</b>	<b>SCHEDULE</b>	<b>31.12.09</b>	<b>31.03.09</b>
		<b>( 9 months)</b>	<b>( 12 months)</b>
		<b>( Rs.)</b>	<b>( Rs.)</b>
<b>INCOME</b>			
Income from Operations		0	0
Profit on sale of shares		0	0
Dividend Income		0	80
Miscellaneous Income		0	0
	<b>TOTAL</b>	<b>0</b>	<b>80</b>
<b>EXPENDITURE</b>			
Admn., Selling & Distribution Expenses	6	18447	37479
Deferred Revenue Exp. Written off		488614	122153
	<b>TOTAL</b>	<b>507061</b>	<b>159632</b>
(Loss)/Profit before Income Tax		(507061)	(159552)
Less: Provision of Taxation		0	0
		(507061)	(159552)
Less: Income Tax for earlier year		0	6430
		(507061)	(165982)
Add: Previous year profit Brought Forward		348977	514959
Loss Carried over to Balance Sheet		-158084	348977
Earning per share ( Ref. Note no. 5 of notes to A/C's )		-1.01	-0.33

NOTES ON ACCOUNT & SIGNIFICANT ACCOUNTING- 7  
POLICIES

Place : Indore

Dated : 26th April 2010

**Shiv Singh Mehta**  
(Managing Director)

**Purnima Mehta**  
(Director)

**Neha Asawa**  
(Company Secretary)

**FOR SUBHASH DESHPANDE & CO.**

Chartered Accountants

F.R.N. 000476C

**( R.D. ASAWA )**  
PARTNER  
M.No. 16562

# Kriti Nutrients Ltd.

## SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31.12.2009

SCHEDULE	As at	As at
	31.12.09	31.03.09
	( 9 months)	( 12 months)
	( Rs.)	( Rs.)
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
10,00,00,000 Equity Shares of Rs. 1/- each	100000000	100000000
<b>TOTAL</b>	<u>100000000</u>	<u>100000000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
500000 Equity Shares of Rs. 1/- each	500000	500000
<b>TOTAL</b>	<u>500000</u>	<u>500000</u>

### SCHEDULE-2

#### FIXED ASSETS

(Amount in Rs)

Particulars	Rate of depreciation	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As on 01.04.09	Addition	Deduction	Balance as on 31.12.09	As on 01.04.09	For the period	Balance as 31.12.09	As on 31.12.09	As on 31.03.09
LAPTOP	16.21%	59,000.00	-	-	59,000.00	9,302.00	6,070.00	15,372.00	43,628.00	49,698.00
<b>Total</b>		<b>59,000.00</b>	-	-	<b>59,000.00</b>	<b>9,302.00</b>	<b>6,070.00</b>	<b>15,372.00</b>	<b>43,628.00</b>	-
Previous Year		-	59,000.00	-	59,000.00	-	9,302.00	9,302.00	49,698.00	-

### SCHEDULE 3

#### INVESTMENTS (AT COST)

##### QUOTED

25 Equity Shares of Rs 10/- each of M/s Reliance Power Limited fully Paid up.( Market Value Rs.3878/-) ( Previous year Rs.2563/-)( Previous year 16 Equity shares )	6880	6880
<b>TOTAL</b>	<u>6880</u>	<u>6880</u>

### SCHEDULE 4

#### CURRENT ASSETS, LOANS & ADVANCES

##### A. CASH AND BANK BALANCES

Cash in Hand	96134	97004
Balance With Scheduled Bank		
In current account	304041	47914
<b>TOTAL</b>	<u>400175</u>	<u>144918</u>

##### B. LOANS & ADVANCES

(Advances recoverable in cash or kind for value to be received)

Sales Tax Deposit	5000	5000
Inter Corporate Deposits	0	271000
Advance Income Tax	19421	19421
<b>TOTAL</b>	<u>24421</u>	<u>295421</u>



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SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31.12.2009

SCHEDULE 5

CURRENT LIABILITIES AND PROVISION

Creditors for Expenses		<u>2758</u>	<u>6124</u>
	TOTAL	<u>2758</u>	<u>6124</u>

SCHEDULE 6

ADMINISTRATIVE EXPENSES,  
SELLING & DISTRIBUTION EXPENSES

Postage Telegram		0	219
Legal & Professional expenses		6993	17584
Audit Fees		2758	2500
Bank charges & commission		626	874
Filing Expenses		2000	7000
Depreciation		<u>6070</u>	<u>9302</u>
	TOTAL	<u>18447</u>	<u>37479</u>

# Kriti Nutrients Ltd.

## SCHEDULE - 7

### NOTES ON ACCOUNTS AND ACCOUNTING POLICIES

#### A. SIGNIFICANT ACCOUNTING POLICIES

1. The financial statements are prepared on the basis of on going concern.
2. Mercantile system of accounting has been followed by the company.
3. The accounts have been prepared on historical cost basis.
4. Fixed Assets are stated at their Cost of Acquisition including incidental expenses related thereto.
5. Depreciation has been provided on straight line basis at the rates prescribed in Schedule XIV of the Companies Act, 1956, from the date of installation/put to use.
6. All investments are long term investments and are stated at cost.

#### B. NOTES ON ACCOUNTS

1. In the opinion of the Board of Directors of the company current assets, loans and advances have the value of realisation in the ordinary course of business at least equal to the amount at which they are stated and that provision for all known liabilities are adequate and not in excess of the reasonably necessary.
2. Company's Income Tax assessment has been completed upto the assessment year 2008-09. In the opinion of the Board of Directors of the company provision for Income-Tax is not necessary in view of losses.
3. Additional information pursuant to provisions of part II of schedule VI to the Companies Act, 1956:

	Current period	Previous Year
1. Details of material consumed	Nil	Nil
2. Licensed Capacity	Nil	Nil
3. Production	Nil	Nil
4. Stock & Turnover	Nil	Nil
5. C.I.F. Values of Imports	Nil	Nil
6. Amount remitted in foreign currency	Nil	Nil
7. Earnings in foreign Currency	Nil	Nil
8. Expenditure in foreign Currency	Nil	Nil
9. Claims against company not acknowledged debts pending in Court of Law	Nil	Nil
10. Estimated amount of contracts remaining to be executed on Capital account not provided	Nil	Nil
11. Contingent liabilities not provided	Nil	Nil
12. Counter guarantee given to bank	Nil	Nil
4. Calculation of E.P.S.		
a. Basic/ Weighted No. of Shares of Rs. 1/- Each	500000	500000
b. Net Profit/Loss for E.P.S.	(-) 110062	(-) 163482
c. E.P.S.	(-) 1.01	(-) 0.33

5. There are no deferred tax liability/assets as per AS- 22 of Notified Accounting Standards in view of losses.
6. There are no dues to Micro and Small Enterprises as at 31st December 2009. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.



7. Since there is no employee in the company and therefore AS- 15 of the notified accounting standard is not applicable to the company.
8. Related Party Disclosures:
- a. Key Management Person
- i. Shri Shiv Singh Mehta (Managing Director)
- ii. Smt. Purnima Mehta (Director)
- Transaction with above parties: Nil
- b. Related Parties of Key Management - Nil
- Transactions with above parties - Nil
9. Pursuant to the Scheme of Arrangement, the solvent division of Kriti Industries (India) Limited (KIIL) is vested and transferred into the company as on the appointed date fixed by the Hon'ble High Court of Madhya Pradesh Bench at Indore i.e. 1st January 2010 and hence the financial statements closed on 31st December 2009 doesnot include manufacturing activities of the solvent division of the original company (KIIL) from where it has been vested into the company.
10. During the year company has written-off entire balance of deferred revenue expenses of Rs.488614/-instead of Rs.91615/- every year and thereby loss for the year has been increased by Rs.396999/-.
11. Company has closed its current accounting year on 31st December 2009 and accounts have been prepared for 9 month i.e. from April 2009 to December 2009 and hence previous figures are not comparable.

Place: Indore

Dated: 26th April 2010

**Shiv Singh Mehta**  
(Managing Director)

**Purnima Mehta**  
(Director)

**Neha Asawa**  
(Company Secretary)

**FOR SUBHASH DESHPANDE & CO.**

Chartered Accountants  
F.R.N. 000476C

**( R.D. ASAWA )**  
PARTNER  
M.No. 16562

## Kriti Nutrients Ltd.

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Information required as per part IV of Schedule VI of the Companies Act,1956.

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### 1 Registration Details

Registration No.	U24132MP1996PLC011245	State Code 10
Balance Sheet Date	31.12.2009	

#### 2 Capital Raised During the year ( Amount in Rs. )

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

#### 3 Position of Mobilisation and Deployment of Funds ( Amount in Rs.)

Total Liabilities	Total Assets
630430	630430
Sources of Fund	Total Reserves
Paid-up Capital	0
500000	
Secured Loan	Deferred Tax Liabilites
0	0
Application of Funds	Investments
Net Fixed Assets	6880
43628	
Net Current Assets	Misc. Expenditure
421838	0
Capital Work in Progress	
0	

#### 4 Performance of Company ( Amount in Rs. Thousand)

Turnover	Total Expenditure
0	18447
Profit/Loss Before Tax	Profit/Loss After Tax
(507061.00)	(507061.00)
Earning Per Share in Rs.	Dividend Rate %
-1.01	0%

#### 5 Generic Names of Three Capital Products/Services of Company. ( As per monetary terms)

Item Code No.	15079000
(ITC Code)	Refined Oil
Item Code No.	23040003
(ITC Code)	De Oiled Cake





## CASH FLOW STATEMENT

FOR THE PERIOD ENDED AS AT 31ST DECEMBER, 2009

Particular	31.12.2009
<b>A. Cash Flow from operating activity</b>	
Net Profit Before Tax & Extraordinary Items	(507061.00)
Adjustments for:	
Depreciation	6070.00
Loss/(profit) on Sale of Fixed Asset	0.00
Dividend Income	0.00
Miscellaneous Income/ Miscellaneous expenses	488614.00
Financial Charges	0.00
Prior Period Income/(Expenses)	0.00
<b>Operating Profit Before Working Capital Changes</b>	<b>(12377.00)</b>
<b>Adjustment for Working Capital Changes</b>	
Trade & Other Receivables	271000.00
Inventories	0.00
Trade Payables	(3366.00)
Cash Generated from Operation	255257.00
Financial Charges	0.00
Taxes paid	0.00
<b>Net Cash from Operating Activities (A)</b>	<b>255257.00</b>
<b>B. Cash Flow from Investing Activities</b>	
Purchase of Fixed Assets/ Capital	0.00
Sale of Fixed Assets	0.00
Sale/(Purchase) of Investments	0.00
Miscellaneous Income	0.00
Dividend Income	0.00
<b>Net Cash for used Investing Activities (B)</b>	<b>0.00</b>
<b>C. Proceeds from Issue of Shares</b>	0.00
Proceeds /(Repayment) from Long Term Borrowings	0.00
Short Term Loan movement	0.00
Effect of Exchange Rate Change	0.00
Unsecured loan	
Dividend paid	0.00
<b>Net Cash for used Financing Activities (C)</b>	<b>0.00</b>
Net Decrease in Cash & Cash Equivalents (A) +(B)+(C)	255257.00
Opening Balance of Cash & Cash Equivalents	144918.00
Closing Balance of Cash & Cash Equivalents	400175.00

Last year figures has been regrouped and reclassified wherever applicable

Place : Indore

Dated : 26th April 2010

Shiv Singh Mehta  
(Managing Director)

Purnima Mehta  
(Director)

Neha Asawa  
(Company Secretary)

FOR SUBHASH DESHPANDE & CO.

Chartered Accountants

F.R.N. 000476C

( R.D. ASAWA )  
PARTNER  
M.No. 16562

**KRITI NUTRIENTS LIMITED**

Regd. Office: "MEHTA CHAMBERS", 34, SIYAGANJ, INDORE - 452 007

**ADMISSION - SLIP**

Folio No. :

Please bring your copy of the Annual Report to the Meeting

No. of Shares Held :

I hereby record my presence at the Annual General Meeting of the Company being held at Chetak Chambers, 4th Floor, 14, R.N.T. Marg, Indore - 452 001 (M.P.) on Wednesday the 30th June, 2010 at 3.00 P.M.

Name of the Shareholder .....

Name of the Proxy Holder/Authorised Representative.....

Signature of the Shareholder/Proxy/Authorised Representative.....

**Notes :**

1. A member/proxy/authorised representative wishing to attend the Meeting must complete this Admission Slip before coming to the Meeting and hand it over at the entrance.
2. If you intend to appoint a proxy, please complete, stamp, sign and deposit the Proxy Form given below at the Company's Registered Office at least 48 hours before the Meeting.

**KRITI NUTRIENTS LIMITED**

Regd. Office: "MEHTA CHAMBERS", 34, SIYAGANJ, INDORE - 452 007

**PROXY - FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member/members of KRITI NUTRIENTS LIMITED hereby appoint Shri/ Smt. /Km. \_\_\_\_\_ of \_\_\_\_\_ or failing him/her Shri /Smt. /Km. \_\_\_\_\_ of \_\_\_\_\_ failing him/her Shri /Smt./Km. \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday the 30th June 2010 at 3.00 P.M. and at any adjournment thereof.

Signed this ..... day of .....2010

Folio No :

No. of Shares Held :

Affix One  
Rupee  
Revenue  
Stamp

Signatures

Note :

The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.

Book Post



**Kriti Nutrients Limited**

Ankit Consultancy Pvt. Limited  
2nd Floor, Alankar Point,  
4-A Rajgarh Kothi,  
Geeta Bhavan Chouraha,  
A. B. Road, Indore - 452 001.