



KRITI INDUSTRIES (INDIA) LIMITED

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CIN : L25206MP1990PLC005732

KIIL/SE/2022-23

25th July, 2022

To,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051
Symbol – KRITI

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai 400001
Scrip Code - 526423

Sub: Submission of 32nd Annual Report alongwith Notice of Annual General Meeting (AGM) to be held on 17th August, 2022 through Video Conferencing or Other Audio Video Means (OAVM) at 3:00 P.M. pursuant to Regulation 34(1) of SEBI (LODR) Regulations, 2015.

Dear Sir/Ma'am,

We wish to inform you that the 32nd Annual General Meeting of the Members of Kriti Industries (India) Limited is scheduled to be held on 17th August, 2022 at 3:00 P.M., **through Video Conferencing or Other Audio Video Means (OAVM)** for which purposes the corporate office of the company situated at 8th Floor, Brilliant Sapphire Plot No.10, PSP, IDA, Scheme No.78, Part II, Indore (M.P.) - 452010 shall be deemed as the venue for the Meeting.

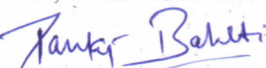
Pursuant to Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclose herewith the soft copy of the Annual Report for the financial year ended on 31st March, 2022 along with the Notice of 32nd Annual General Meeting to be held on Wednesday, 17th August, 2022 at 3:00 P.M.

You are requested to please take on record the above said document of the Company for your reference and further needful.

Thanking you.

Yours faithfully,

For, Kriti Industries (India) Limited



(Pankaj Baheti)

Company Secretary & Compliance Officer



Encl.: 32nd Annual Report for financial year 2021-22 alongwith Notice of AGM.



Do Right

Our long-term approach to business sustainability



KRITI
GROUP

Kriti Industries (India) Limited
Annual Report FY 2021-22

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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, certain forward-looking statements that set out anticipated results based on the management's plan 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.



Online Annual report
www.kritiindustries.com



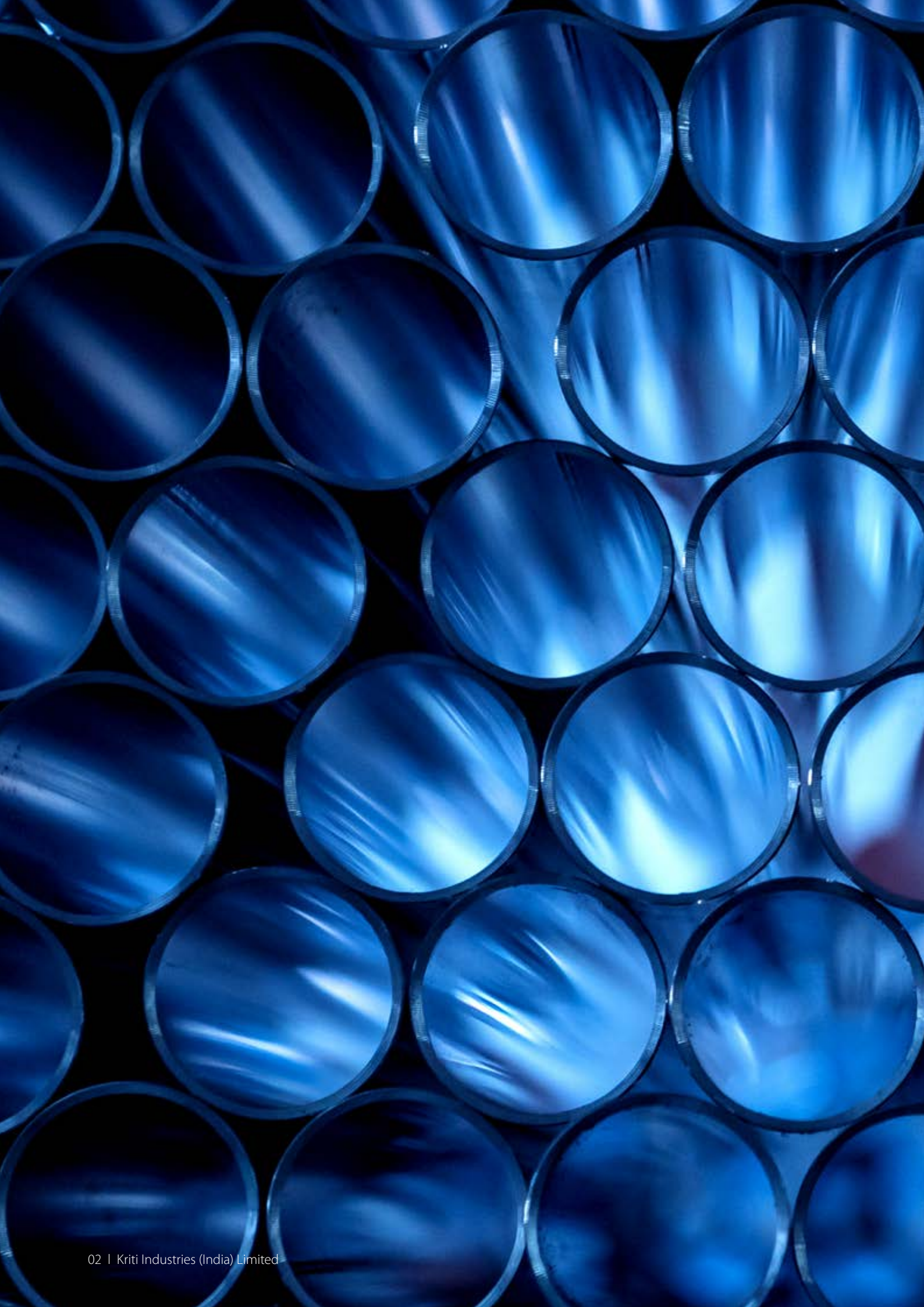
At Kriti Industries, 'Do Right' represents the core of who we are.

These two words resolve, clarify and simplify our priorities in a transforming world.

In line with this 'Do Right' commitment, we ask ourselves some questions: 'Will it be good for all our stakeholders?' and 'Will what we be relevant for a progressive world?'

This annual report builds on this theme – Do Right - that was carried in the annual reports of the preceding years.

In this report, we focus on how a broadbased approach to business is strengthening our governance and could lead to enhanced stakeholder value across the foreseeable future.



PART ONE

Our business

 Our vision

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

 Our values



 Our mission

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



Our background

Kriti Industries (India) Limited went into business in 1982 when it was launched by Mr. Shiv Singh Mehta (Chairman and Managing Director). He is backed by a team of competent senior and middle level managers who enjoy a multi-year exposure across sectors. The Company's employee strength stood at 490 as on 31st March, 2022.



Our business

The Company is engaged in the manufacture of polymer pipes - Poly Vinyl Chloride (PVC) and Poly Ethylene (PE) – that are utilised in applications like water supply, irrigation, gas, telecom and construction. The Company is respected for providing customers with a single-stop solution. The Company possesses a diverse pipe mix marked by different sizes (small to large in diameter) covering classes and ratings. The Company develops complementary PVC/HDPE fittings.



Our governance

The Kriti Group comprises two listed companies - Kriti Industries (India) Limited and Kriti Nutrients Limited. The companies are respected for their ethical business approach, transparent strategy, credible Board members, extensive automation, training, empowerment, rigorous compliance standards and a robust Balance Sheet.



Our footprint

The Company's headquarters are in Indore with the manufacturing facility located in Pithampur, Madhya Pradesh. The Company's market presence extends across 16 States. Kriti has deepened its penetration across states like Madhya Pradesh, Rajasthan, Punjab, Haryana, Andhra Pradesh, Gujarat, Karnataka, Uttar Pradesh, Maharashtra and Telangana.



Our brand

The Company's proprietary brand (Kasta) possesses a distinctive recall for consistency, quality and service. Kriti has enhanced this consumer recall around 'integrity', 'dependability', 'quality' and 'peace of mind'.



Our listing

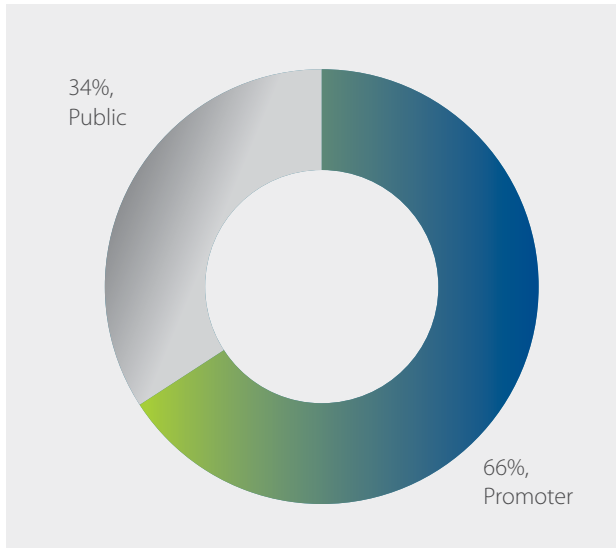
The Company was listed on the Bombay Stock Exchange in 1992 and was listed on National Stock Exchange in 2021. The Company's market capitalisation was ₹ 529.27 Cr as on 31st March, 2022. The promoters owned a 66 per cent stake in the Company's equity capital.



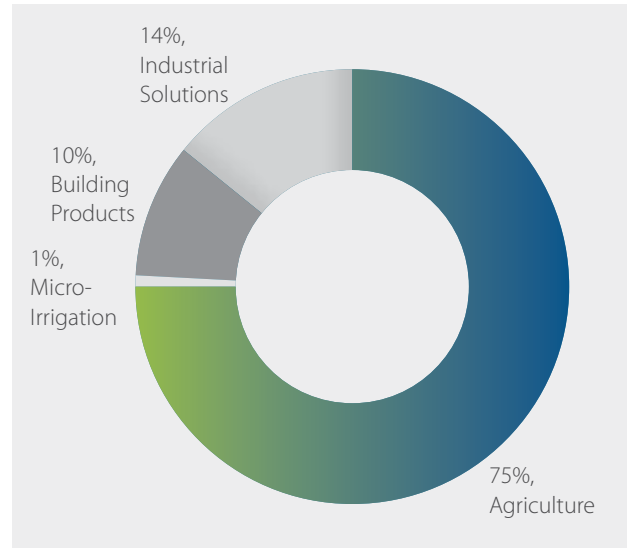
Our performance, FY 2021-22

The Company reported revenues of ₹ 546.09 Cr and Profit after Tax of ₹ 14.03 Cr. The Company registered a cash profit of ₹ 22.10 Cr and EBITDA margin of 7.37 per cent in FY 2021-22.

Shareholding Pattern as on 31st March, 2022



Segmental revenue breakup as on 31st March, 2022



Our consolidated manufacturing facility

State-of-the-art facilities



Largest single location polymer pipe manufacturing plant in India



Installed capacity 1,37,880 TPA



Number of extrusion lines for PVC pipes



Number of extrusion lines for HDPE & drip irrigation



Number of injection moulding machines

Segmentwise manufacturing capacity



Agriculture 1,01,960 MTPA



Industrial solutions 26,575 MTPA



Building products 6,645 MTPA



Micro irrigation 2,700 MTPA

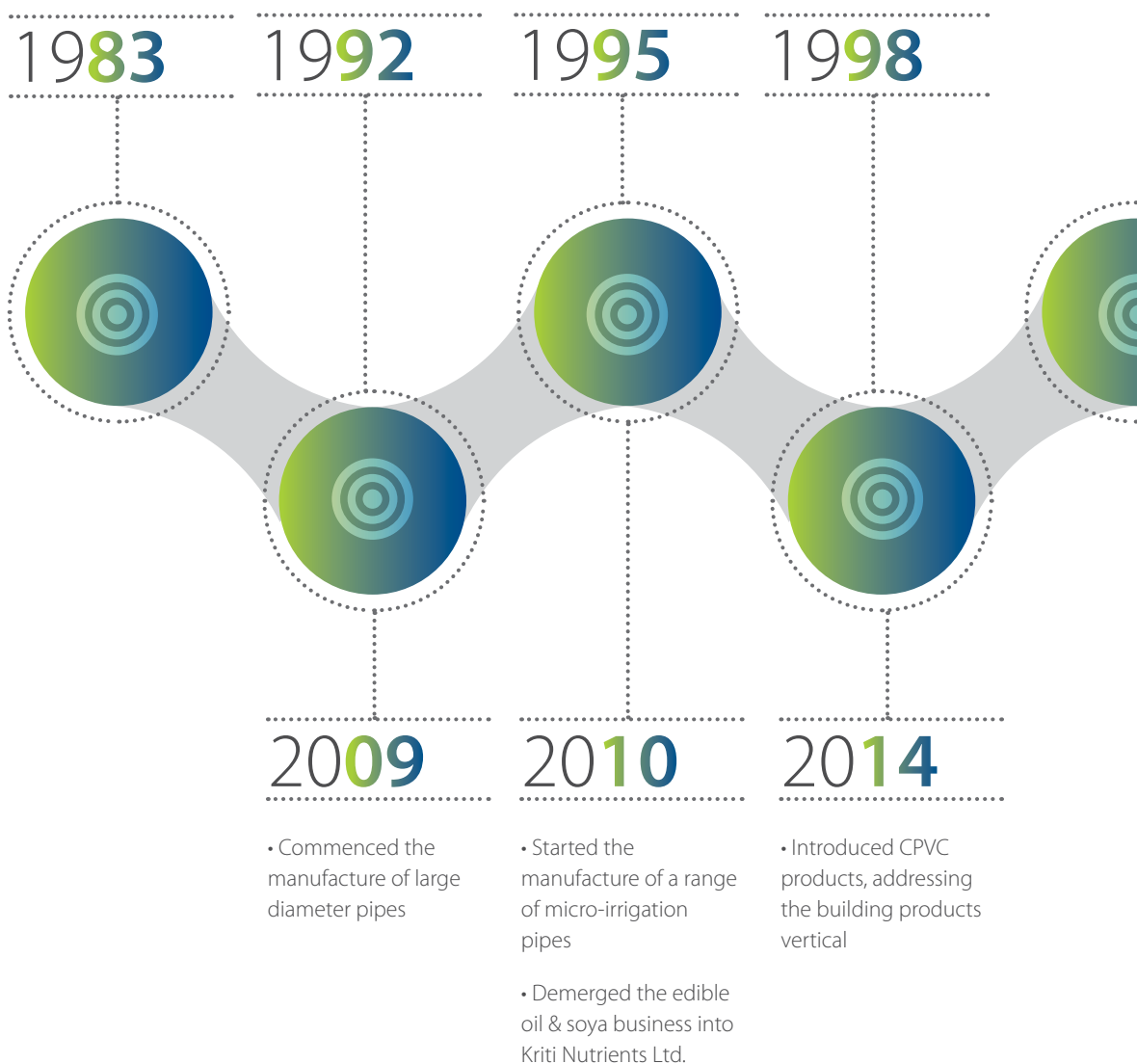
How we have grown across the decades

- Entered business with a single screw extruder for manufacturing rigid PVC pipes
- Became a public limited company

- Listed on BSE
- Started manufacture of injection moduled fittings

- Added a new range of injection molding products
- Widened offerings of RPVC pipes

- Commenced manufacture of polyethylene pipes



- Commenced the supply of co-extruded internally lubricated HDPE telecom ducts for laying optical fibre cables

- Started the manufacture of HDPE pipes of 450mm diameter for potable water supplies & sewage disposal applications; commenced the manufacture of PLB HDPE ducts

- Received ISO 9000
- Processed 15,000 tonnes of plastics

- Expanded the plastic products range
- Widened the business to Rajasthan and Maharashtra
- Added leading institutional and Government department/customers

- Commissioned state-of-art facilities for white goods and automobile applications

1999

2000

2001

2003

2004

2015

2017

2018

2019

2020

- Commenced the supply of PE pipes for Reliance's coal-based methane project

- Launched Mission Udaan addressing the sales and manufacturing functions

- Widened the sales network to new states / territories

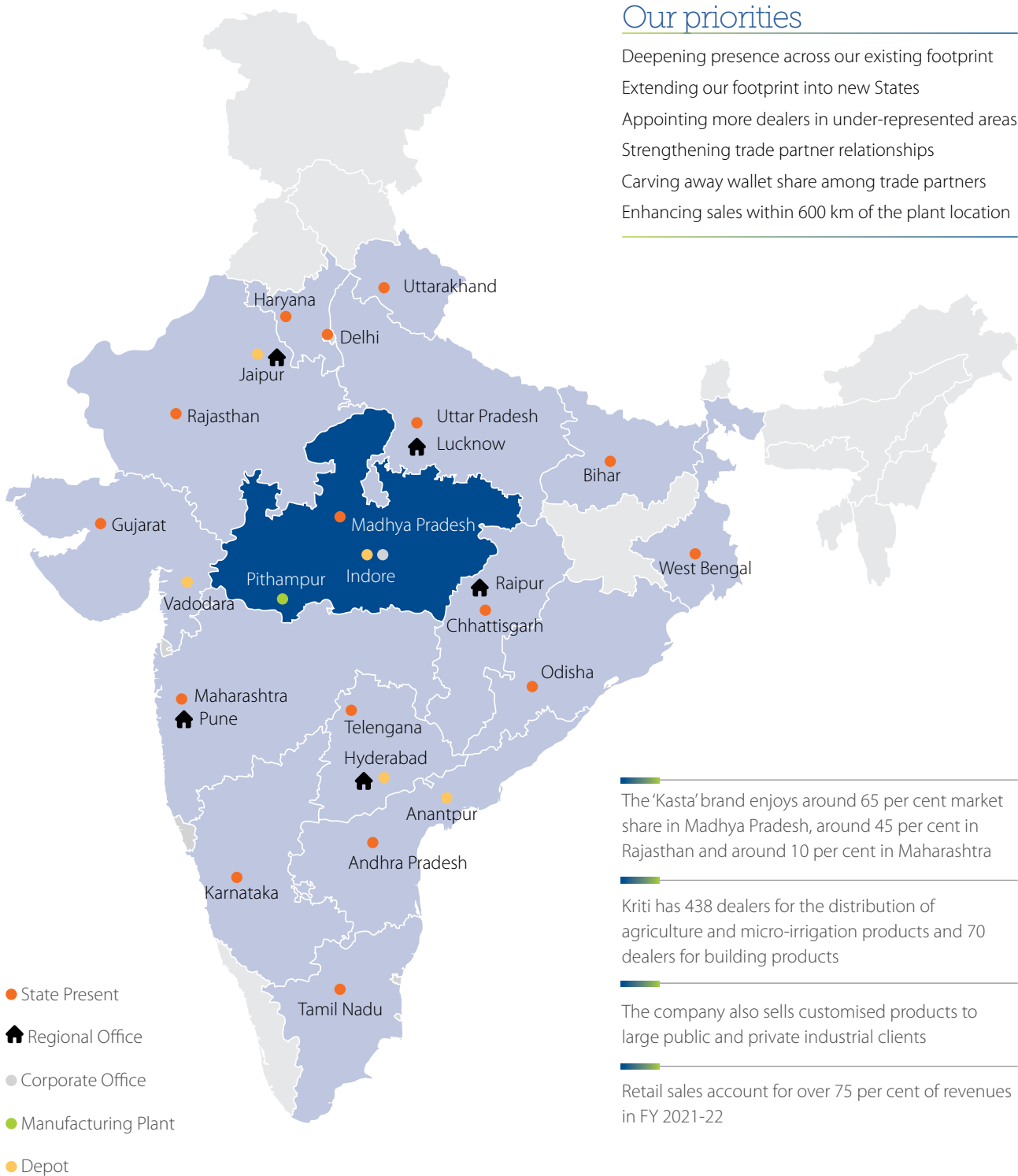
- Enhanced capacity, process and efficiency
- Launched higher diameter PE pipes (710mm)

- Embarked on various HR and business transformation initiatives

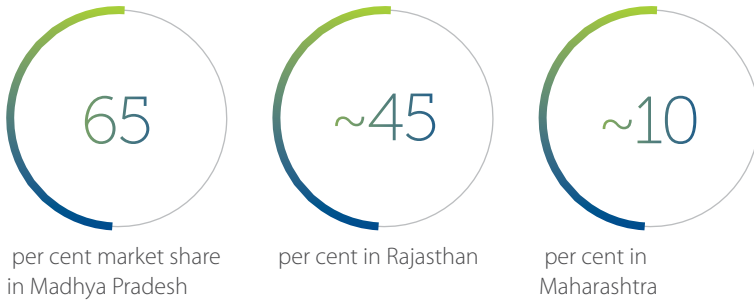
How we have strengthened our distribution network

Our priorities

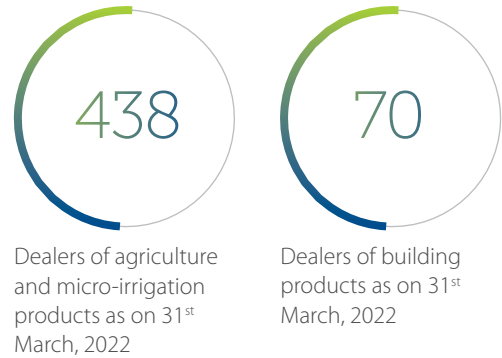
- Deepening presence across our existing footprint
- Extending our footprint into new States
- Appointing more dealers in under-represented areas
- Strengthening trade partner relationships
- Carving away wallet share among trade partners
- Enhancing sales within 600 km of the plant location



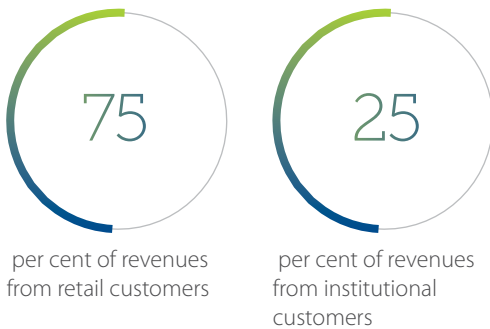
Our market share



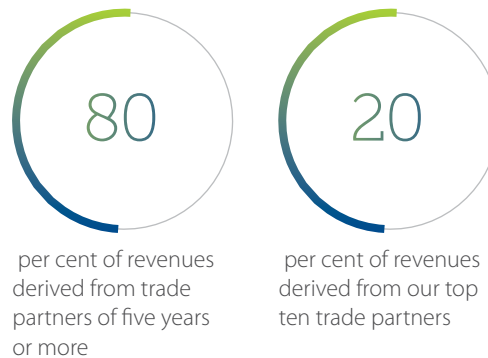
Our market presence



Our customer mix



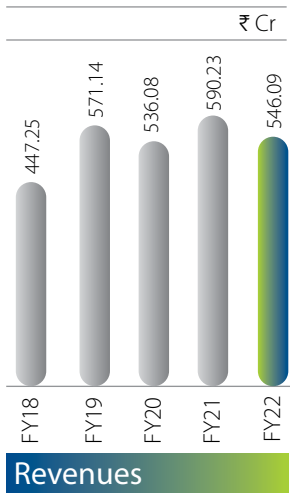
Loyalty dynamics of our trade network



Our marquee institutional clients



'Do Right' has translated into presentable numbers



Definition

Growth in sales, net of taxes.

Why this is measured

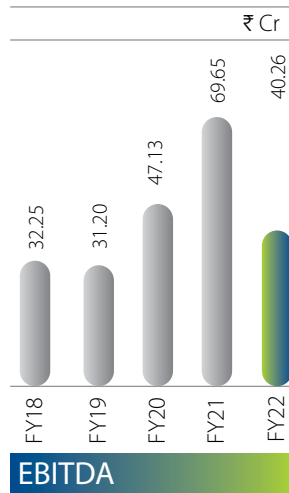
It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the company's performance can be compared with sectoral peers.

What this means

Aggregate sales decreased 7.5 per cent during the year under review on account of reduction/volatility in prices.

Value impact

The volume offtake remained creditable in an otherwise challenging year for the economy, protecting the Company's industry visibility.



Definition

Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why this is measured

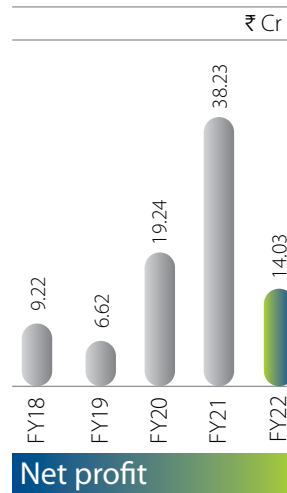
It is an index that showcases the Company's ability to generate a surplus after operating costs, creating a base for comparison with sectoral peers.

What this means

Helps create a robust surplus-generating engine that facilitates reinvestment.

Value impact

The Company reported a 42.21 per cent decline in EBITDA in FY 2021-22 due to low price realisations.



Definition

Profit earned during the year after deducting all expenses, taxes and provisions.

Why this is measured

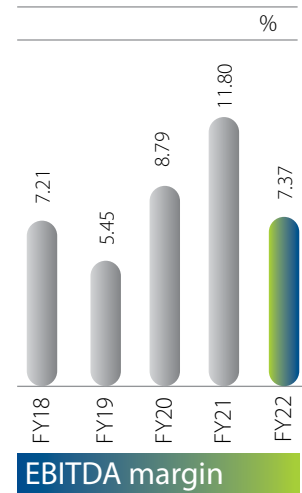
It highlights the strength of the business model to enhance shareholder value.

What this means

This ensures the quantum of cash available for reinvestment.

Value impact

The Company reported a 63.29 per cent decline in PAT in FY 2021-22 due to a volatility in prices.



Definition

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

Why this is measured

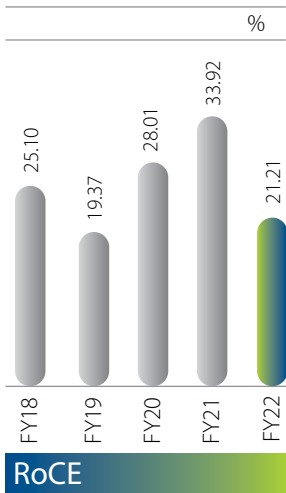
The EBITDA margin provides an index of how much a company earns (before interest and taxes) on each rupee of sales.

What this means

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

Value impact

The Company reported a near 443 bps decrease in EBITDA margin in FY 2021-22 on account of a volatility in prices.



Definition

This financial ratio measures efficiency with which capital is employed in the business.

Why this is measured

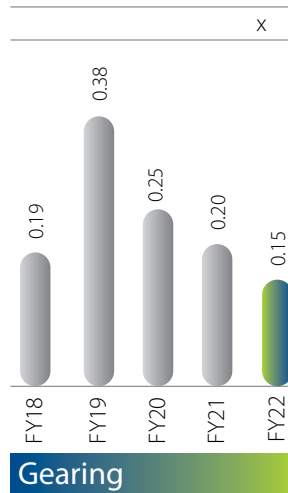
RoCE is an insightful metric to compare profitability across companies based on their capital efficiency.

What this means

Enhanced ROCE can potentially drive valuations and market perception.

Value impact

The Company reported 1279 bps decrease in ROCE in FY 21-22 following low realisations and a volatility in prices.



Definition

This is the ratio of debt to net worth (less Revaluation Reserves).

Why this is measured

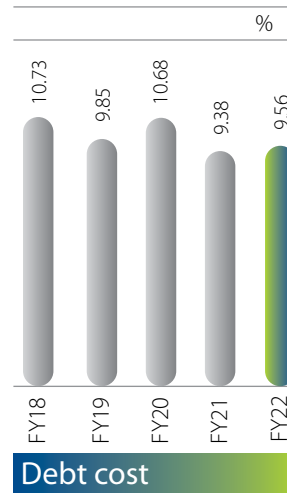
This is one of the defining measures of a company's solvency and liquidity.

What this means

This indicates whether the company enhances shareholder value by keeping the equity side constant and progressively moderating debt.

Value impact

The Company's gearing stood improved at 0.15 in FY 2021-22 compared to 0.20 in FY 2020-21 following debt repayment and increased net worth. This ratio should ideally be read in conjunction with net debt/ EBITDA (lower the better).



Definition

This is derived through the computation of the average cost of the consolidated debt on the Company's books.

Why this is measured

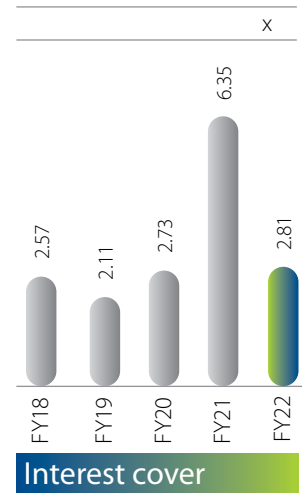
This indicates the company's ability in convincing debt providers of the robustness of the business model and negotiating a lower debt cost (leading to higher margins).

What this means

This translates into enhanced cash flows and strengthens credit rating, leading to a decline in debt cost.

Value impact

The Company's debt cost was 9.56 per cent in FY 2021-22, lowest in three consecutive years of the last four years. This ratio should ideally be read in conjunction with net debt/ operating profit (a decline indicating higher liquidity).



Definition

This is derived through the division of EBITDA by interest outflow.

Why this is measured

Interest cover indicates the solvency available to service interest – the higher the better.

What this means

A company's ability to meet its interest obligations is one of the most important measures leading to shareholder returns.

Value impact

The Company's interest cover was lower from 6.35x in FY 2020-21 to 2.81x in FY 2021-22, on account of lower price realisations.

'Do Right' and Kriti Industries (India) Limited



Deepening our governance

Focus on doing the right things and doing things right



Integrity

To work and think with the highest ethical conduct



Process-driven

Focus on the 'how' over the 'what'



Culture

Driven by a distinctive passion



Compliance

Respect for statutes, regulations and laws of the land



Respect for human dignity

Core of our existence



Investing for the long-term

Influences our thoughts and actions





Relationships

Face-to-face relationships with primary and secondary customers



Value

Commitment to enhance value for all stakeholders



Value-addition

Focus on superior products, quality and realisations



Brand promise

Deepen recall around 'Trust' and 'Quality'



Solvency

Credible Balance Sheet with liquidity and credibility



Technology

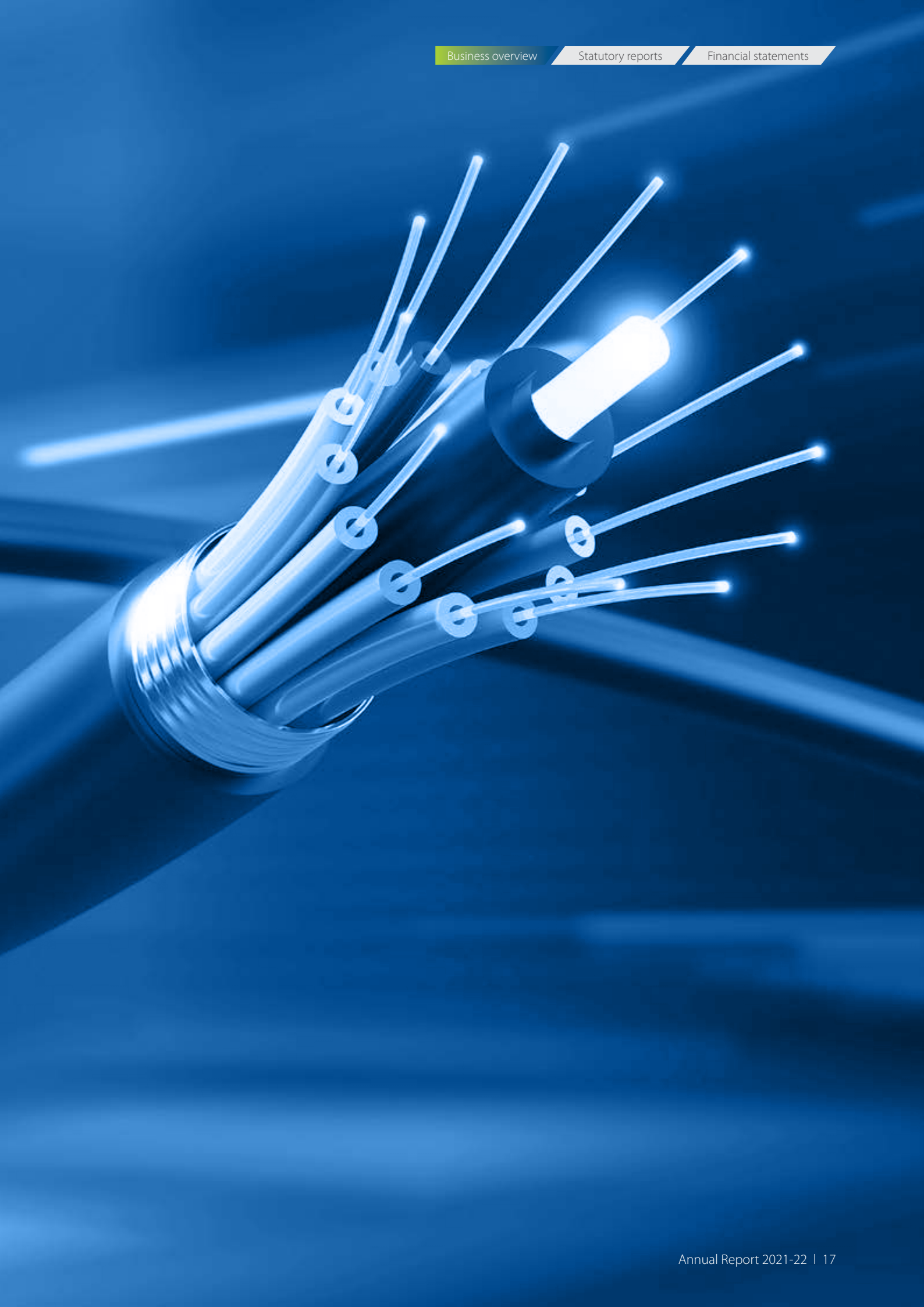
Investing in performance-enablers

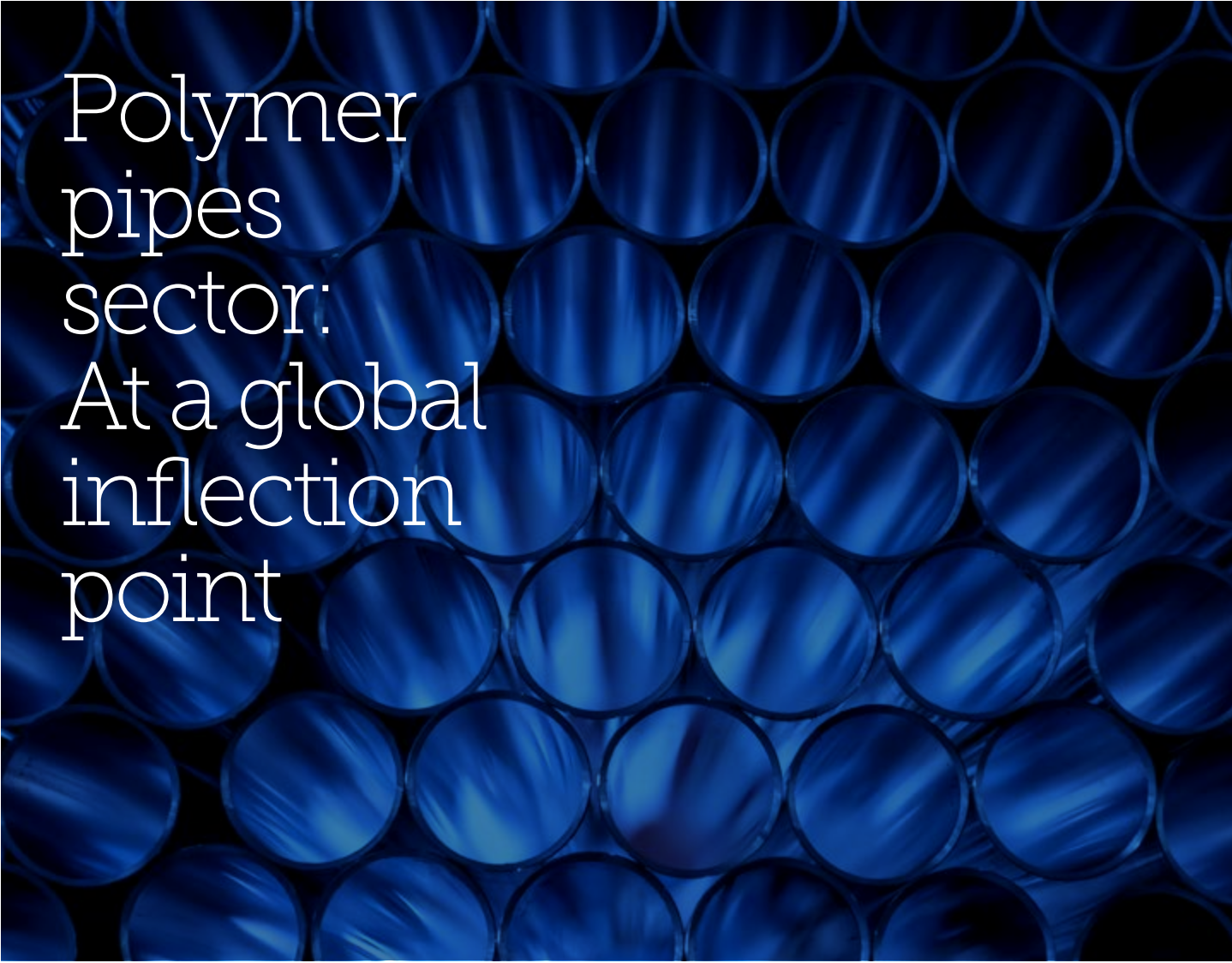
Do Right

- A beacon
- A guiding principle - a credo
- A go to placewhen in doubt
- Meaningful
- Evocative and provocative
- Ring true – tone, style and manner

PART TWO

Setting the context





Polymer pipes sector: At a global inflection point

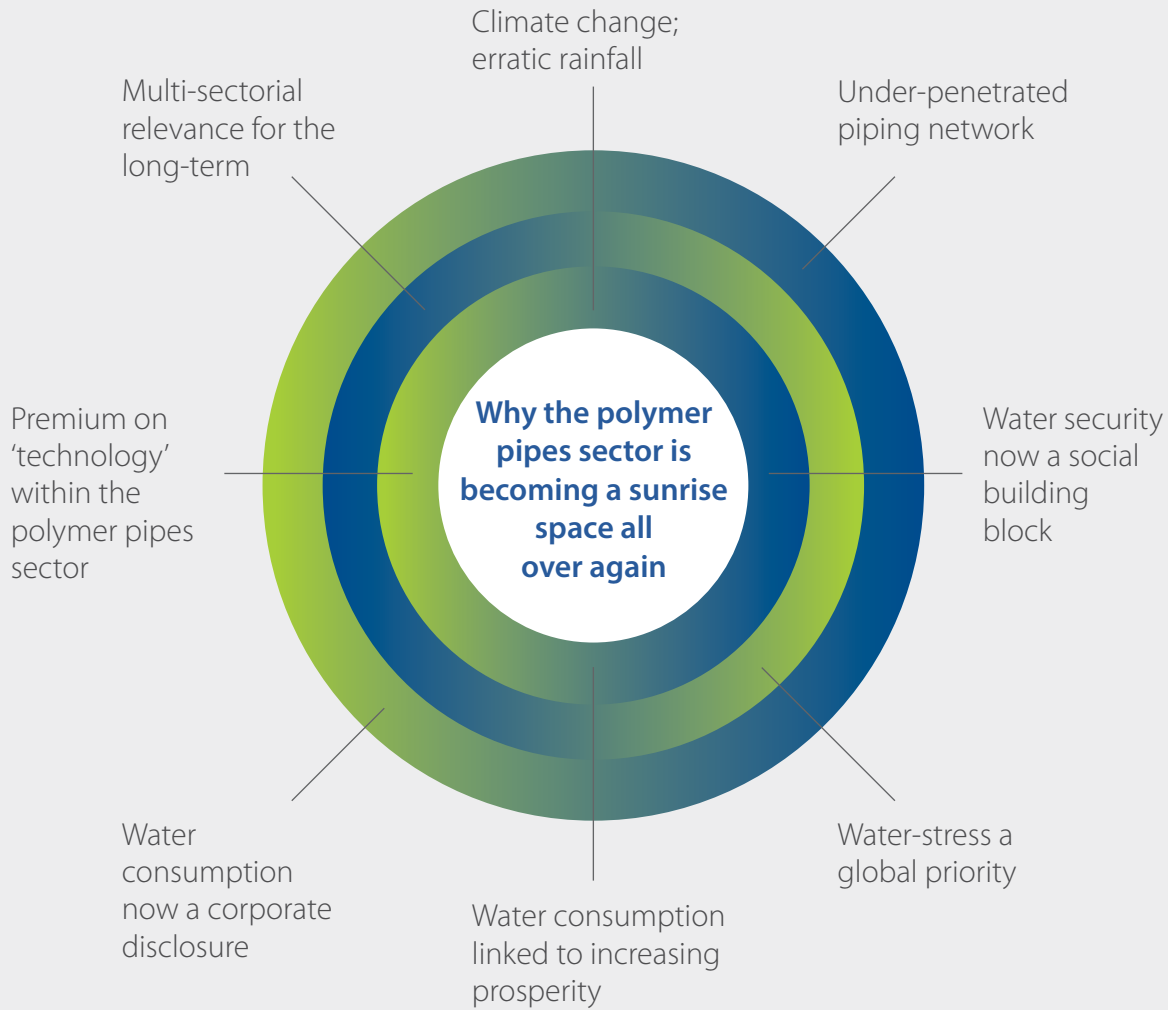
There are some good reasons why we believe that the polymer pipes sector is at an inflection point.

One, climate change is enhancing precipitation disparity. Some regions in the world are getting heavier rain than ever; others remain deficient, making it imperative to transport water from one region to another. We believe that this a long-term reality, protecting the prospects of the sector.

Two, the subject of water transportation is mature in some parts of the world but continues to be nascent in others. This indicates that people – especially women – need to walk long distances each day to fetch water for their households. As delivered water has become a fundamental right and a part of election

manifestoes, the delivery of water into homes has become a basic lifestyle standard in rural and even marginalised urban India.

Three, the delivery of water is no longer appraised in a silo; it is now being seen as a vital component of a holistic social solution: the enhanced residential availability of water is being linked to increased sanitation standards and lower health care costs leading to the possibility of a family spending more on education and lifestyle improvement – water is being seen as a driver of related improvements and freedoms.



Four, water stress is now on the front pages of newspapers. Some years ago, the fact that a sea-based city like Cape Town approached a zero-water reality brought the scenario into the Board rooms of urban planners, emphasising that the day is not far off when more cities – especially metro cities in the developing world – encounter this challenge.

Five, there is adequate research to indicate that as per capita incomes rise, the per capita consumption of water increases. In a world that is progress-driven, virtually every country has recorded an increase in per capita incomes (and hence water consumption) in the last few decades. This trend is expected to sustain, putting a premium on water resource management.

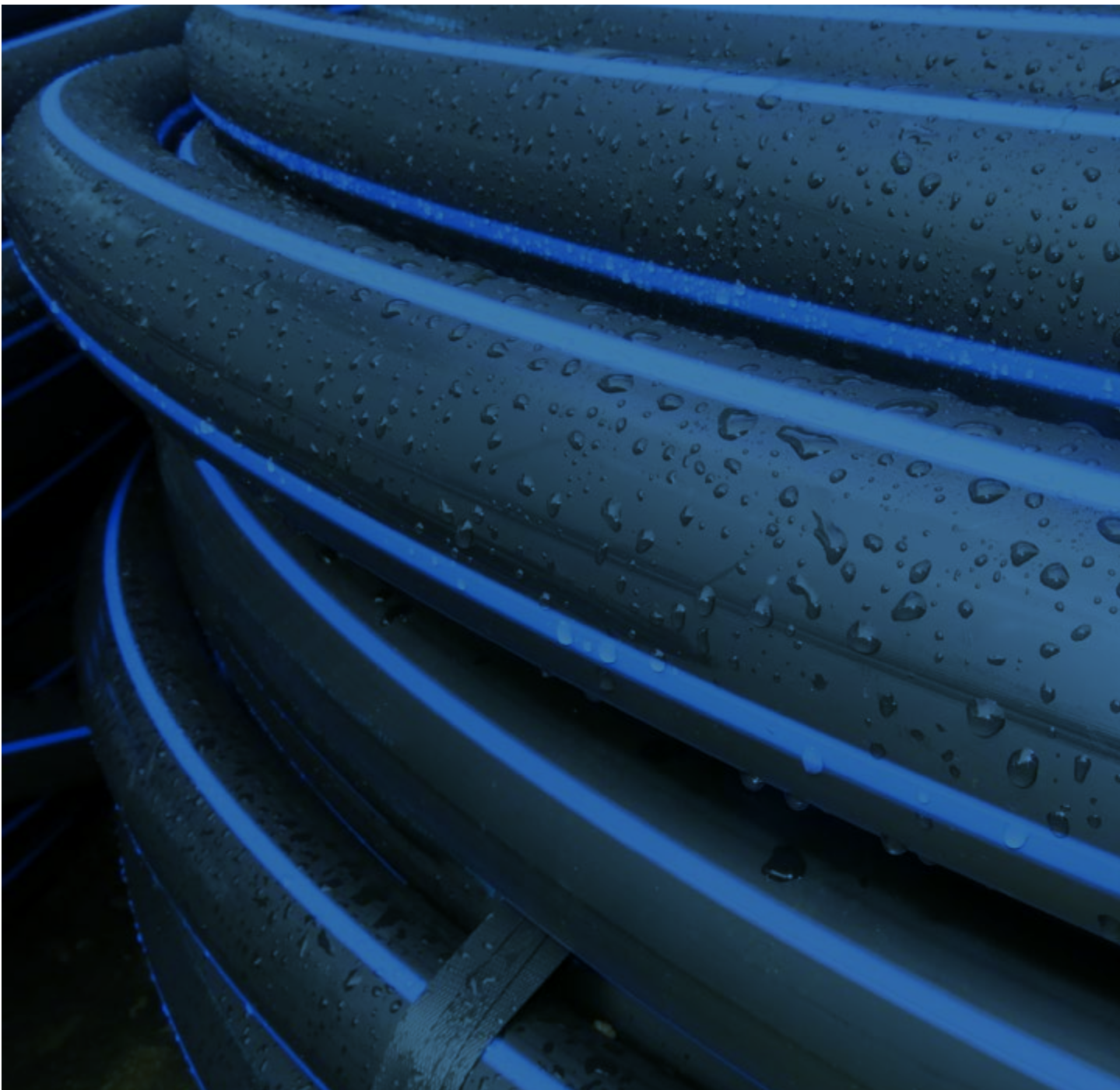
Six, one manifestation of how seriously the world is taking the subject of water conservation is reflected in the reporting standards of listed companies. In the past, these reporting standards were limited to the financials; as the subject of sustainability has acquired a larger currency in the financial markets, there is a greater emphasis on reporting the water-intensity of businesses and what initiatives they are taking to reduce the quantum of water consumed per tonne of production. The need to moderate consumption is inspiring a second wind in polymer pipe offtake the world over.

Seven, the word 'technology' is acquiring a deeper relevance within the sector. There is a greater emphasis today on manufacturing pipes of higher tolerance

standards, warranting research into the desired material mix and superior processes. Besides, the subject of micro-irrigation is warranting deeper research into calibrated fluid flows and superior crop outcomes.

Eight, the bullishness for the polymer pipes sector is coming from the fact that its growth is not just about water any longer. The emerging drivers of the sector comprise factors as diverse as digitalisation, urbanisation and clean fuel resources. We believe that each of these factors will remain relevant across the decades, creating a long-term optimism for the polymer pipes sector.

Polymer pipes sector: The foundation of a modern world





Polymer pipes and population growth

It took centuries for the global population to reach 1 Billion in 1804; a Billion in global population is now added in just 12 years. The population of India was around 1.40 Billion in late 2021, the second most populous country. It is now estimated that by 2023, India could overtake China to become the most populous country and could cross 1.5 Billion by 2030 (Source: Statistics Times). This sustained population increase is the fundamental driver of the polymer pipes offtake.

Polymer pipes sector and food security

The conventional perspective of polymer pipe applications is associated with farms. The reasons why these pipes are used extensively in irrigation applications is because they are light, enduring and provide a superior price-value proposition for users. Over the years, the use of these pipes has increased because enhanced water availability is transforming the dynamics of the farm sector.

As the global population increases even as aggregate farm area remains near-constant (or even declining in some parts of the world), there is a priority to graduate to superior farming systems – increased water availability from source (transportation) coupled with enhanced water efficiency (micro-irrigation).

Superior water availability initiates a superior virtuous cycle: lower farmer hours at work, lower labour outlay and lower power consumption leading to better profitability. In a sector where margins have been conventionally under pressure and it is not easy to pass cost increases to

consumers, a better availability of water makes it possible to moderate costs and widen margins. Polymer pipes help in making this a reality: as a result, pipes are being increasingly seen not as a cost but as an investment that pays back with speed.

The percentage of water used for irrigation out of the total water use for 1997-98 was 83.30 per cent; as per National Commission for Integrated Water Resources Development, the percentage of water used for irrigation out of the total water use in 2025 under a high demand scenario has been estimated as 72.48 per cent, making responsible water management imperative.

Polymer pipes sector and digitalisation

Digitalisation is perhaps the most dramatic technology development in the last decade. A convergence of technologies like Machine Learning, Artificial Intelligence, Blockchain and 5G are transforming the world. One of the manifestations of a convergence of these technologies is in the smartphone that has now emerged as the basis for e-commerce, real time information access and even virtual conferencing.

This digital age is being built around a terrestrial network of polymer pipes that contain optic fibres. These optic fibres provide a robust transfer of Billion of data bytes, deepening the Information Age. As the digital spread widens and deepens across countries like India, extending from the urban to the rural, more polymer pipes are likely to represent multi-year infrastructure – the backbone of our modern age.

The Indian optical fibre cables (OFC) market stood at US\$ 881.5 Million in 2019. This market is projected to grow at a CAGR of 19.7 per cent to US\$ 2.1 Billion by 2024 on account of the growing adoption of smartphones, broadband services and 5G rollout.

Polymer pipes sector and urbanisation

Urbanisation is irreversible. Today, 55 per cent of the world's population (an estimated 4.2 Billion individuals) lives in urban areas. This trend is expected to continue and by 2025, 68 per cent of the world's population is expected to shift to urban areas. As urban clusters become hubs of employment, entertainment and services, this trend will sustain. Nearly 35 per cent of India's population is urban; by 2030, this is expected to increase to 40 per cent on a larger population spread. Urban population growth (annual per cent) in India was reported at 2.2978 per cent in 2020; by 2025, 46 per cent of Indians will live in cities with more than 1 Million people; by 2030, the number of cities with populations of more than 1 Million could grow from 42 to 68. (Source: McKinsey, 2010)

This urbanisation is resulting in a greater construction of superstructures, which, in turn, are embedded with a network of polymer pipes and underground polymer pipe systems for the supply and evacuation of fluids. As a result, the polymer pipes sector rides on an urbanisation movement unlikely to abate. The Smart Cities initiative in India offers an integrated urban water management framework combining urban planning, ecosystem restoration and wetland conservation for building future-ready, water smart and climate resilient cities. Urban watersheds and wetlands were

critical for maintaining the urban water balance, flood cushioning, micro-climate regulation and protecting biodiversity.

India's real estate sector is expected to reach US\$ 1 trillion in market size by 2030, up from US\$ 200 Billion in 2021 and contribute 13 per cent to the country's GDP by 2025, catalysing the demand for plastic pipes.

Polymer pipes sector and a cleaner world

There is a greater premium on the need to breathe clean air in a world marked by vehicular or industrial emissions, smog and respiratory disease. There is one positive development on the horizon (apart from electric vehicles): city gas distribution network.

The Indian government has announced its intension to increase gas from 6 per cent of the fuel mix today to around 15 per cent by the end of this decade. India's City Gas Distribution (CGD) market is forecast to witness a CAGR of 10 per cent to grow from an estimated 9,223 MMSCM (Million Metric Standard Cubic Meter) in 2020 to 25,570 MMSCM by 2030. India launched the tenth city gas distribution bidding round in 232 geographical areas (GAs) spread over 400 districts in 27 States to potentially reach piped gas which catered around 71 per cent of India's population and 53 per cent of the country. The government offered 65 GAs in the 11th bid round spread over 215 districts in 19 states and one Union Territory, covering 26 per cent of India's population and 33 per cent of the country, catalysing the demand for gas pipes.

Polymer pipes sector and industrialisation

As fresh water becomes scarcer, industrial consumers need to upgrade their water

systems or face constrained growth.

Industrial water demand is growing faster than agriculture. Semiconductor plants, for example, requires 2-4 Million gallons of ultrapure water every single day, making water the basis of virtually all electronic sector growth. The result is that trillions of dollars need to be invested to repair, upgrade and build water infrastructure worldwide across the coming decades. The importance of water within industries is marked by the following factors: tighter discharge regulations extending zero discharge and water re-use; advanced techniques that can filter more complex contaminants and replace chemicals for water treatment; measuring water consumption; higher water prices and mechanisms such as trading water rights and water pollution rights.

Polymer pipes sector and sustainability

At the core of sustainability lies a commitment to recycle and reuse liquid discharge. The result is that the global water and waste water industry is expected to grow 5.3 per cent in 2022 to \$806.14 Billion. The recycling of wastewater includes the irrigation of food and non-food crops, green spaces, recovering arid land, fire systems, industrial cooling or industrial processing, sanitation and even as indirect and possibly direct sources of drinking water. The beneficial use of wastewater also helps decrease the impact on the environment of a disposal of sewage or industrial effluents. The end use of wastewater determines the required quality of water and management procedures required to ensure safety. WHO and several countries have developed guidelines for the safe use of wastewater in agriculture and other settings.

Polymer pipes sector: Business with a sustainable outlook



The polymer pipes sector in numbers

The world



US\$ Million, the global water and wastewater pipe market, 2019



US\$ Million, the global water and wastewater pipe market, 2026 (estimated)



per cent of water lost from leaky pipes in industrialised countries



per cent of water lost from leaky pipes in developing countries



The proportion of fresh surface water of the total water on earth



per cent, projected loss of GDP by 2050 for countries from West Africa through the Middle East, South Asia to Japan due to water scarcity (Source: World Bank)



per cent of the world's population that lives in water-stressed areas today



per cent of the world's population that will live in water-stressed areas by 2025



Billion people living with absolute water scarcity by 2025 (Source: Nasdaq)



per cent of the world's total fresh surface water resources concentrated in nine countries



per cent of the world's population in North America



per cent of the global water supply in North America



per cent of the world's population in China



per cent of the world's water supply in China



per cent increase in the water infrastructure maintenance and repairs segment a year (Source: Canaccord Genuity)



\$ Billion, estimated spending in 10 years on trenchless technologies (Source: Canaccord Genuity)



\$ Billion, estimated spending on the shift from iron and steel to plastic pipes in 10 years (Source: Canaccord Genuity)



per cent of the world that does not have access to an improved water source.



Billion people in the world without access to safe drinking water at home by 2030 if current trend persists (Source: WHO)



per cent growth in the global water and waste water industry in 2022



Million school days lost each year due to water-related diseases, 2021 (Source: lifewater.org)



per cent of health care facilities in least developed countries with no water service (Source: lifewater.org)

The polymer pipes sector in numbers

India



Global rank of India by water availability per person per mm



per cent of the world's fresh water resources that one in India



per cent of the world's population in India



Per cent of the Indian landmass that receives annual rainfall less than 75 cm. (Source: toppr.com)



per cent of the Indian landmass that receives abundant rainfall



per cent of the Indian landmass that suffers from rainfall deficiency (Source: tripoto.com)



Number of India's 29 states and 9 Union territories that reported more than 50 per cent of their districts being either deficit or large-deficit in rainfall in 2021



per cent of India's 694 districts that reported deficit rainfall in 2021 (Source: downtoearth.org)



Cubic metres, average annual per capita water availability, 2001



Cubic metres, average annual per capita water availability, 2031 (estimated)



US\$ Billion, India's wastewater treatment plants market in 2019



US\$ Billion, India's wastewater treatment plants market in 2025
(Source: Business standard)



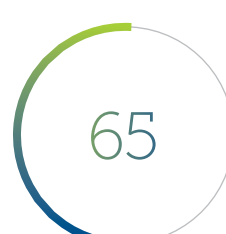
per cent of India's rainfall and other sources that is collected



BCM, rate at which India fills ground water aquifers per year



BCM, rate at which India draws water from the earth



per cent of India's agriculture water resource drawn from under the ground



per cent of India's manufacturing water resource drawn from under the ground



Mt cube per person of storage infrastructure in the world



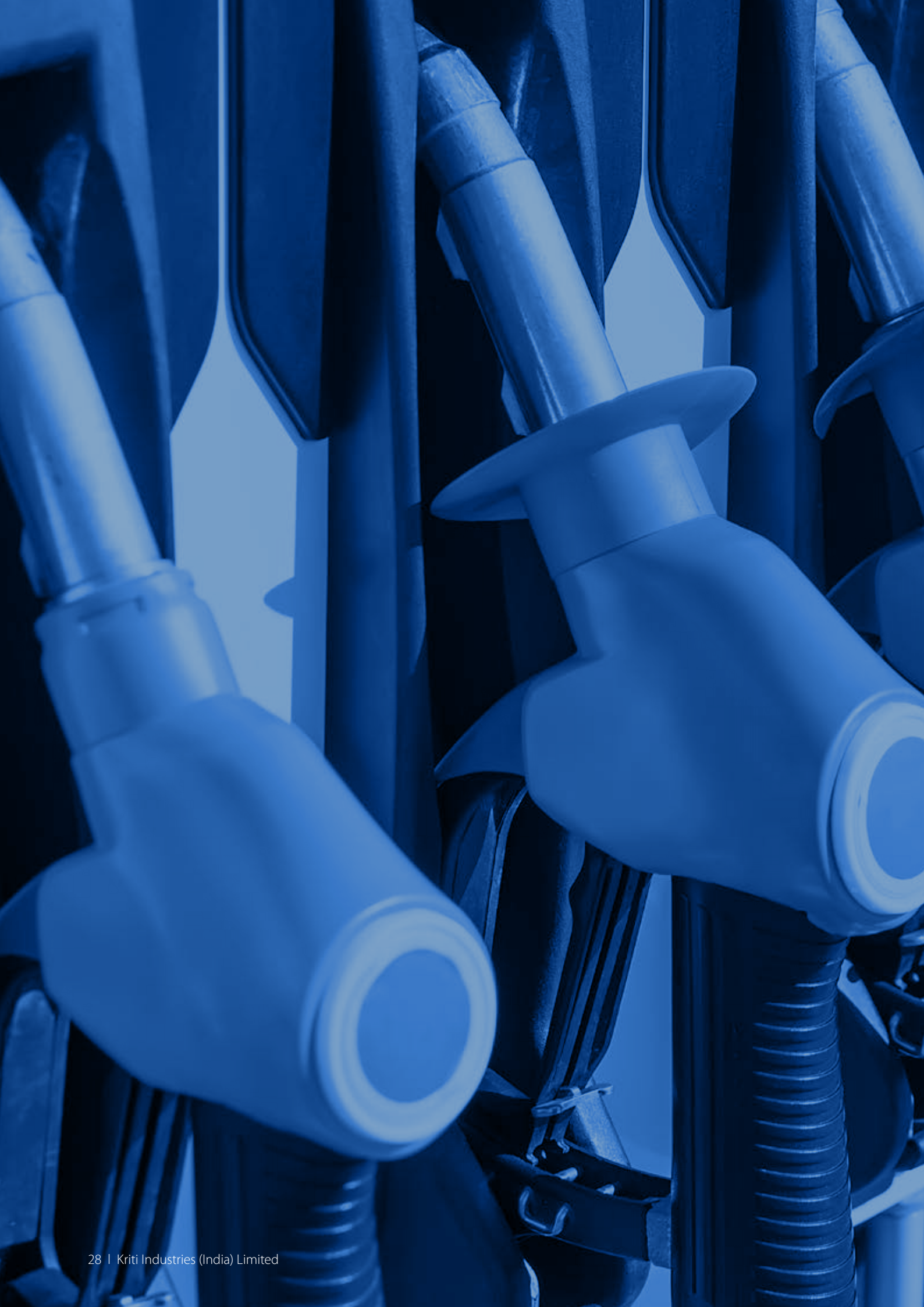
Mt cube per person of storage infrastructure in India



Billion cubic metres per year of India's ground water consumption



The number of times India's ground water consumption is higher than China and US combined



PART THREE

Our big picture

For 30 years, we were largely present in only one sector



Water
transmission.

For the long-term, we will now be present in four sectors.

- 1 Water transmission.
- 2 Telecom cables transmission.
- 3 Gas transmission.
- 4 Urban water and sewage transmission.

The world of transmission and Kriti Industries

There is a growing need for efficient transmission the world over.



Water. Gas. Bits.

The competitiveness of nations will be driven by how extensive these transmission networks are, how efficiently these networks can transmit resources and how long these networks can endure.

This means that the competitiveness of nations will be enhanced by polymer pipe manufacturers of the highest pedigree.

At Kriti Industries, we believe we belong to this pedigreed niche. The rationale of our existence: commitment to manufacture

what demanding downstream sectors need, manufacture in large quantities, manufacture in line with demanding global quality certifications and deliver solutions that take customer interests ahead.

Continuity and change

At Kriti Industries, our success has been derived from how our values have remained consistent while our strategic responses have kept relevantly evolving.

We will continue to focus on the

manufacture of polymer pipes, which has been our core business for decades.






We will seek to break from the past by broadbasing our products pyramid – from a predominant dependence on the growth coming out of one sector (agriculture) to a broadbased presence across multiple sectors.

We are optimistic that this broadbasing will accelerate revenue growth, strengthen de-risking, reinforce our brand (corporate and product), increase margins and enhance stakeholder value.

This is where we are

-  Among the largest PVC pipe and fittings manufacturers in central India
-  A company with a multi-decade presence in 16 States and a recent entry in 6 States
-  An extensive presence in the agriculture irrigation segment
-  Among the most respected brands in the regions of our presence
-  An extensively under-borrowed Balance Sheet

This is where we wish to go

-  Graduate from a regional into a pan-Indian PVC pipes brand
-  A company with a proposed presence in two more Indian States
-  A broad-based presence the agriculture, telecom, construction and hydrocarbon segments
-  Among the most respected Indian brands in the plastic/polymer pipes sector
-  A robust Balance Sheet growing the business sustainably through accruals

This is what we earned in FY 2021-22



This is how our earnings were allocated, FY 2021-22



This is what we expect to achieve in 2022-23

-  Increase the visibility of our Kasta brand
-  Deepen our presence in the States of our presence
-  Enhance production; cover overheads better
-  Invest in select capacity enhancement
-  Widen the product portfolio



PART FOUR

Perspectives
and
opinions





We are optimistic that the ability to invest in business broadbasing will help enhance value for all our shareholders, the basis of our long-term sustainability.

Overview

Kriti Industries was formed in 1982 with the objective to contribute to India's water security.

During the last decade, the company has grown from annual polymer processing capacity of 86,400 tonnes to 1,37,880 tonnes; our revenues increased from ₹ 282.53 Cr in FY 2011-12 to ₹ 546.09 Cr in FY 2021-22.

By the close of the last financial year, Kriti Industries possessed a credible Balance Sheet. The company enjoyed a debt-equity ratio of 0.15, which is an index of its extensive under-borrowing and corresponding liquidity. Besides, the company possessed a robust brand that inspired customer confidence leading to referral or repeat business. The company's certifications indicated that its manufacturing assets and process were benchmarked with the most demanding standards in the world, an assurance of reliable quality. The combination of Balance Sheet strength, brand and certifications represents a scalable intangible platform in a competitive sector.

The prevailing health of the company's business may indicate that status quo would be a preferred option – that what has worked until now is likely to work in the future as well and that running in the business in an auto-pilot mode would indeed be the safest response. However, we believe that the reverse is true; given the way the external environment is evolving, there is a premium on the need to respond to changes in markets, policies and investing preferences. It is imperative to catch this tide, creating a basis for the company's scalable and sustainable growth across the coming years.

Broadbasing

At Kriti Industries, if there is one term that faithfully captures the direction of the company, it is 'broadbasing'. For a number of years, the company focused on the agriculture sector, convinced that irrigation would grow in importance. The numbers indicated that of India's total agricultural area, only 51 per cent was rain-fed, a large room for irrigation systems to widen or deepen their coverage. As India's irrigation movement grew, the size of its

pipes sector widened.

However, there are various realities warranting a broadbasing of the company's strategic thrust.

One, a complement of reforms and sectorial policies announced indicate that India's economic growth will be broad-based from this point onwards. This reality will, in turn, warrant a corresponding broad-basing of the business of companies like ours.

Two, the policies announced by the government indicate a multi-year capital expenditure programme. This means that if the investment in infrastructure and networks is to be sustained, there is a credible basis for a company like ours to make a decided long-term shift in its strategic direction.

Likely outcomes

The outcome of this strategic shift is that over the next few years, Kriti Industries is

making it possible to amortise fixed costs more efficiently, the basis of increased profitability.

These two outcomes – ability to absorb downsides and accelerate revenues on the other – are directly linked to our need to strengthen business sustainability. We believe that our company will build around the following strengths – enduring relationships with primary customers (trade partners), near-complete product range that makes it possible to service customers at a single stop, transparent and ethical management, market leadership in specific product segments and adequate installed capacity.

Stakeholder value

In view of this, we are optimistic that our broadbasing will translate into enhanced stakeholder value – for the employee who seeks a long-term career with us, for the vendor who seeks to enter into enduring supply relationships, for the customer who

At Kriti Industries, if there is one term that faithfully captures the direction of the company, it is 'broadbasing'. For a number of years, the company focused on the agriculture sector, convinced that irrigation would grow in importance. The numbers indicated that of India's total agricultural area, only 51 per cent was rain-fed, a large room for irrigation systems to widen or deepen their coverage.

likely to graduate from a company with a predominantly agriculture focus into a company with revenues broadbased across more sectors. We believe that this broadbasing will make it possible for Kriti Industries to create multiple revenue engines and absorb any temporary decline in the performance of one sector without financial impairment.

We also believe that some of the non-agriculture sectors in our business mix will grow faster than the revenues we derive from the agriculture sector, enhancing our scale on the one hand and

seeks a world-class product manufactured with consistency, for the community or environment seeking a responsible engagement and for the financial partner (lender or shareholder) who seeks an assured or superior return.

We are optimistic that this ability to invest in business broadbasing will help enhance value for all our shareholders, the basis of our long-term sustainability.

Our time starts now.

Shiv Singh Mehta, Chairman

Implication

Extending from one to many

Context

India's economy returned to growth in FY 2021-22

India's outlook is secured by sweeping policy reforms

Multi-year policies are attracting Indian and global investments

Unprecedented investments are assuring long-term resource offtake

Policy outlook could benefit the nimble and prepared

Broadbasing: Implications, advantages, context and initiatives

Our initiatives

Focus on column and casing pipes

Service demand within 600km from our manufacturing facility

Extending from 10 States to 16 States

Advantages

Creating multiple long-term revenue engines

Enhancing capacity utilisation (and hence RoCE)

Complementing the rural product range with urban equivalents

Deepening business de-risking

Strengthening the corporate and product brand

Attracting passionate and knowledgeable employees

Enhancing value for all stakeholders

Widening the product basket

Extending from one downstream sector to two probable sectors

Extending from retail to institutional customers

Strengthened the sales team

Enhanced promotional spending

"Our broad-basing is helping reinvent our company"

The Company's Chief Financial Officer explains how the broad-basing momentum has begun and is expected to transform the company

Q: Why is it imperative to broad-base and broad-base with urgency?

A: This transformation is warranted for an important reason – we foresee an unprecedented demand building up for polymer pipes across the coming decade, driven by long-term policies across a number of sectors. This is not wishful thinking; we are seeing how companies

have committed to make significant downstream investments. In short, India is preparing the ground for the next round of GDP growth that is expected to scale it to the third largest economy (after USA and China) by 2030. We believe that polymer pipes will represent a

robust terrestrial foundation wherever transmission is needed – of fluids, bits or gas.

Q: Why is this expected to represent the terrestrial framework of a modern India?

A: For some good reasons. Take gas for instance. During the last few years, the company accelerated bidding for city gas distribution networks across the country. This is borne out by the numbers: India intends to increase the use of natural gas from 6.2 per cent of its primary fuel mix today to 15 per cent by 2030. The expansion of CGD network could make India a key destination for major global

suppliers of compressors, dispensers, meters, fittings and technology solutions. The next eight years could see an investment layout of around a US\$15-20 Billion. This could reinforce the country's PNG and CNG infra-structure, following the laying of over 20,000 km of steel pipelines and 1,00,000 km of polyethylene pipelines. This will be supported by the fact that 7.82 Million households currently

use piped gas whereas more than 50 Million households are projected to use piped gas in the future; less than 20 per cent of India's population was covered by the city gas distribution network until 2016 but more than 70 per cent are expected to be covered till the 10th Round. These numbers indicate that we seeing the tip of a large ice-berg related to PVC pipes demand for the gas sector.

Q: What about other sectors where a similar story is panning out?

A: Let us discuss telecom. India is laying the foundation of a digital future. This foundation is being marked by an extension network of optic fibre cables that will cut through rural and urban India.

This represents the government's resolve to extend the digital revolution down to rural India. In view of this, the government is implementing one of the largest such networks in the world that could graduate

it into the next economic orbit. These pan-country networks will warrant an unprecedented investment in polymer pipes without which these networks cannot be created.

Q: And finally, the water sector.

A: This one sector is poised for its biggest transformation. At 250 Billion cubic metres per year of India's ground water consumption, India consumes more than two times the water in its agriculture than China and US combined. The government

has recognised the beginnings of a water stress, with climate change deepening this reality. The government moved proactively to announce Har Nal se Jal backed by a sizable allocation, which is set to revolutionise the water transmission

sector in India. We believe that the country is priming to an inflection point as far as this sector is concerned.

Q: How is Kriti Industries addressing a range of sectorial inflection points?

A: Primarily, it would be imperative to communicate that the company is not addressing the emerging environment with a business-as-usual approach. More importantly, the company recognises

that the unprecedented evolution transforming across a range of sectors needs to be corresponded by an unprecedented transformation within Kriti Industries. The result is that we are

not just making some changes here and there: we are utilising this opportunity to question every paradigm and, in the process, reinventing our company.

Q: In what way is the management reinventing the company?

A: One, by sending out unambiguous messages to stakeholders of its resolve to graduate into another orbit, preparing them for the growth that they are likely to experience within their respective spaces. Two, we are widening our focus from the agriculture to non-agriculture sectors; we believe the blend of these business will transform our business into a perennial character, accelerate reve-

nues and deepen business de-risking. Three, we have largely been a retail-facing brand; while this will continue especially in our agriculture-facing business, we will invest in our brand to address institutional customers across other business as well. Four, we expect to enhance our focus on column and casing pipes that address the need for a wider product range. Five, we intend to reach out to plumbing

distributors, making it possible to service the large and growing construction pipes segment. Six, we intend to see our products in East and South India, entering these geographies across the foreseeable future. Seven, we intend to energise our business processes and respond with speed to changes in market place dynamics.

Q: This appears to be a complete transformation in the personality of Kriti Industries.

A: It absolutely is. A stable approach worked well as long as the downstream sectors were growing moderately. However, the entire landscape is at the cusp of dramatic change: we need to move faster than the changes in the marketplace, reflected in a range

of initiatives that I described. Never before in its history has the organisation implemented such a range of initiatives concurrently. Much of this growth will be driven by a larger presence in the marketplace: we intend to add 150 distributors of our products during

FY 2022-23 leading to a total of 700. We are optimistic that the changes will generate its green shoots by the first half of FY 2022-23 and more visibly from FY 2023-24.

Q: What is the basis of the company's optimism?

A: The most important reason is that the company's products has been well accepted a cross the diverse sectors of its presence. This represents a foundation on which the company only needs to scale. The company is enhancing feet-on-the street and distribution presence,

which should translate into enhanced product availability. The company's transformation enjoys the complete support of the management and is being driven across the organisation. The company's capital expenditure programme has been factored into

account without endangering the Balance Sheet or commitments to lenders and shareholders. In view of this, Kriti Industries possesses a robust foundation that now needs to be scaled in the pursuit of superior stakeholder value.

Q: What is the kind of growth that the company expects to generate from this business broad-basing?

A: The company expects to generate 15 to 20 per cent revenue growth starting from FY 2022-23 without compromising

margins or fiscal robustness. We believe that the strength of the brand and Balance Sheet could translate into

enhanced value in the hands of our patient shareholders.



We believe that our strategic reorientation will enhance volume and value for the business, in turn enhancing value in the hands of those who own shares in our company.

Saurabh Singh Mehta, Director, analyses the company's performance in a challenging FY 2021-22

Q: How would you review the performance of the company during the year under review?

The year under review proved unusual and there are various industry insiders who believe that they have seldom seen a year as challenging as the one we passed. The principal aberration during the year under review was the impact of climate change, marked by unseasonal rains that extended beyond the monsoons.

Generally farmers commence the installation of new water transportation pipelines in the third quarter of a financial year, the work peaking in December. During the year under review, the third quarter was marked by rain, which had two outcomes: one, farmers who were serious about strengthening their water

transmission infrastructure could not embark on the exercise in time; some farmers deferred their decision to invest in additional infrastructure as their water requirement needs were addressed through precipitation.

Q: Q: What was the impact of unseasonable rain on the polymer pipes sector?

The industry lost an estimated four months to this unseasonality in precipitation, resulting in an unusually weak performance in the third quarter of the last financial year. This compounded

the various challenges the sector passed through during the year under review. The unexpected decline in sales made it difficult for the sector to pass increased costs to consumers and made it difficult to

amortise fixed costs, affecting profitability. This decline affected the entire polymer pipes sector, especially those with a high exposure to the agriculture sector.

Q: What were the other challenges faced by the sector in general?

During the year under review, there was an increase in crude oil prices that translated into higher polymer resource costs for the sector. Within the agriculture sector, the increase in raw material costs could not be passed on to farmers, who had spent their savings on health care costs in the wake of the pandemic. Besides, the farmers were reluctant to spend higher on infrastructure costs in the absence of any clarity on an increase in farm realisations. The result is that most

farmers deferred their spending. The cost of raw material peaked in 2021 and one would have expected that farmers would have resumed buying pipes thereafter. However, this time round there was a new challenge: since raw material prices declined by ₹ 30 a KG, most buyers held back their purchases in the hope that prices would decline further. The result is during the upcycle farmers could not afford the cost inflation and hence did not buy; during the downcycle, farmers

stayed back in the expectation of lower prices and hence did not buy. From both perspectives, the industry suffered a demand shock that translated into weak demand and lower margins. Within our company, even as we had set a year-start sales target of 70,000 tonnes, the company ended up with only 35,000 tonnes in sales, indicating an extensive under-performance.

Q: How did the company respond to this unexpected reality?

There were two responses to this unexpected reality: tactical and strategic.

From a tactical perspective, the company continued to work closely with its trade partners to address any upturn in demand during the year under review. Besides, the company continued to articulate the credibility of its brand and how it represented it a safe and profitable long-term investment. The company continued to provide solutions – advice, right products complement and

implementation solution – that took the interests of its customers (largely farmers) ahead.

From a strategic perspective, the company embarked on the process to broad-base its portfolio pyramid. For long, the company had selected to focus on the manufacture and marketing of agriculture pipes. The company operated in select geographies; it worked with stable trade intermediaries. The result was predictable and sustainable growth. However, the

company recognised that the market environment was dramatically evolving. The government had announced long-term policies in the last few years that was not expected to generate a disproportionate growth in the gas, telecom and construction sectors leading to the possibility of a sharp increase in the demand for non-agriculture pipes. In view of this, the company broad-based its strategy with the objective to grow faster.

Q: Why else was the broad-basing warranted?

The broad-basing was also warranted with the objective to strengthen the company's de-risking. Since the company was largely focused on pipes that addressed irrigation, it was vulnerable to climate change or any factor that affected agriculture growth. In the business of polymer pipes addressing the agriculture sector, the first and third quarters of a financial year are usually the most favourable. This nature of business

warranted that inventory be built during some quarters and liquidated during the other quarters. In the unforeseen event of demand being affected during the peak quarters, there was a possibility of inventories needing to be held during the non-peak quarters as well, increasing the working capital outlay and interest outflow. Besides, in a seasonal business, there was a possibility of the downsides

arising out of erratic raw material price movements to be exaggerated. For instance, during the last financial year, one was exposed to the danger of manufacturing pipes with high-cost raw materials and then marketing the end products during a downcycle at lower realisations.

Q: How will the broad-basing help?

The portfolio broad-basing will transform the company from various perspectives.

One, the company will graduate from a seasonal into a perennial revenues company

Two, the company will grow faster, based

on the tailwind coming out of multiple sectors

Three, the company will report a higher capacity utilisation (with negligible capex), translating into a superior return on employed capital.

Four, the company could soon exhaust its installed capacity, creating the basis for enhanced capacity.

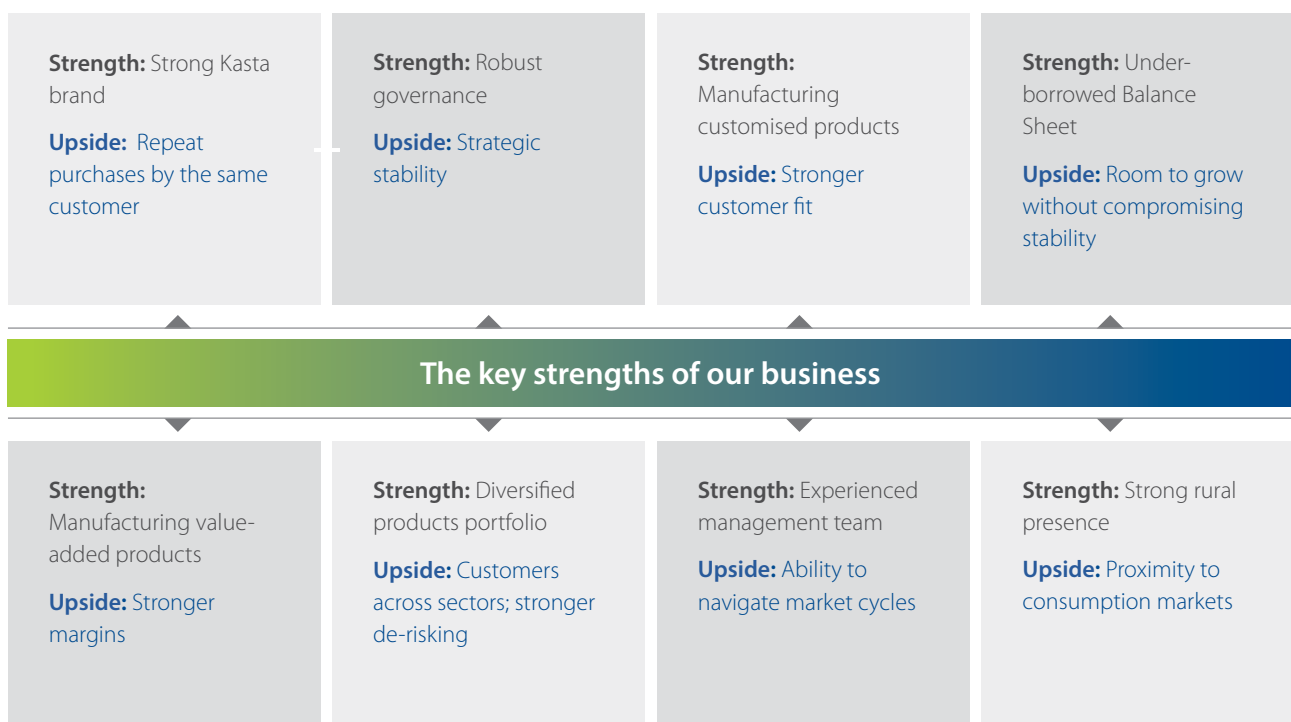
Five, the company, by the virtue of addressing sectors with a large growth headroom, could be valued better on the stock markets.

Q: What is the big take-home drawn from the company's performance of FY 2021-22?

There are two big take-homes that we would like our shareholders to take cognisance of: one, the company demonstrated the resilience of its Balance Sheet, reporting a positive bottom-line

despite undergoing a sharp deviation from its targeted performance; two, the company not only endured a challenging year but also moved with speed to reorient its strategic direction, investing

out of its accruals. We believe that the strategic reorientation will enhance volume and value for the business, in turn enhancing value in the hands of those who own shares in the company.



Q: How did the company strengthen its brand during the year under review?

The company recognised that the key to competitive brand building would lie in creating a recall through direct engagements with consumers rather than through sustained promotional spending. This approach was validated through more than a Million personal engagements with potential customers

during the year under review without back-up media promotion. This approach was tested in Maharashtra where the company selected to deepen its presence without advertising and outdoor promotion spending, relying more on the trusted word-of-mouth approach. The company educated farmers about its

products, values, brand and competitive differentiators. This approach generated precious bottom-up insights into market realities across a range of districts that helped the company plan its product mix better.

Q: What investments did the company make in the second half of FY 2021-22 to prepare for the next round of growth?

The company invested ₹ 30 Cr in widening its product portfolio – the manufacture of PVC column pipes (hardened PVC) that are used inside bore wells right down to 400 ft and are increasingly replacing the use

of MS pipes; a doubling of our installed capacity to manufacture pipes used in the building and construction sector. Besides, the company widened its marketing presence to Punjab, Haryana, Gujarat,

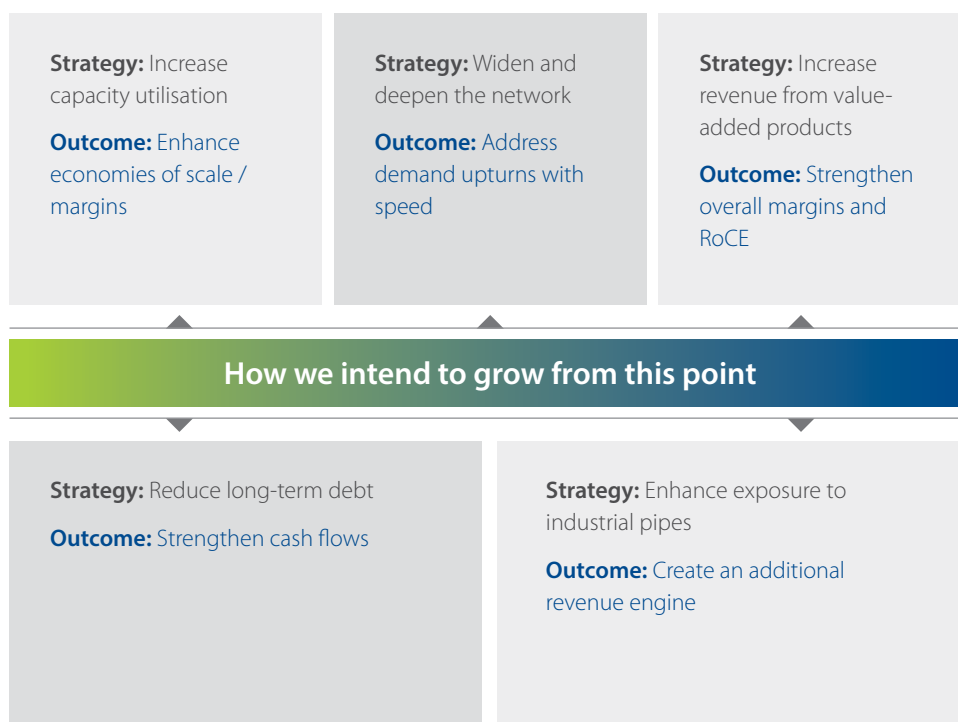
Andhra Pradesh and Uttar Pradesh, which by the virtue of being contiguous, will translate into economies of brand and distribution.

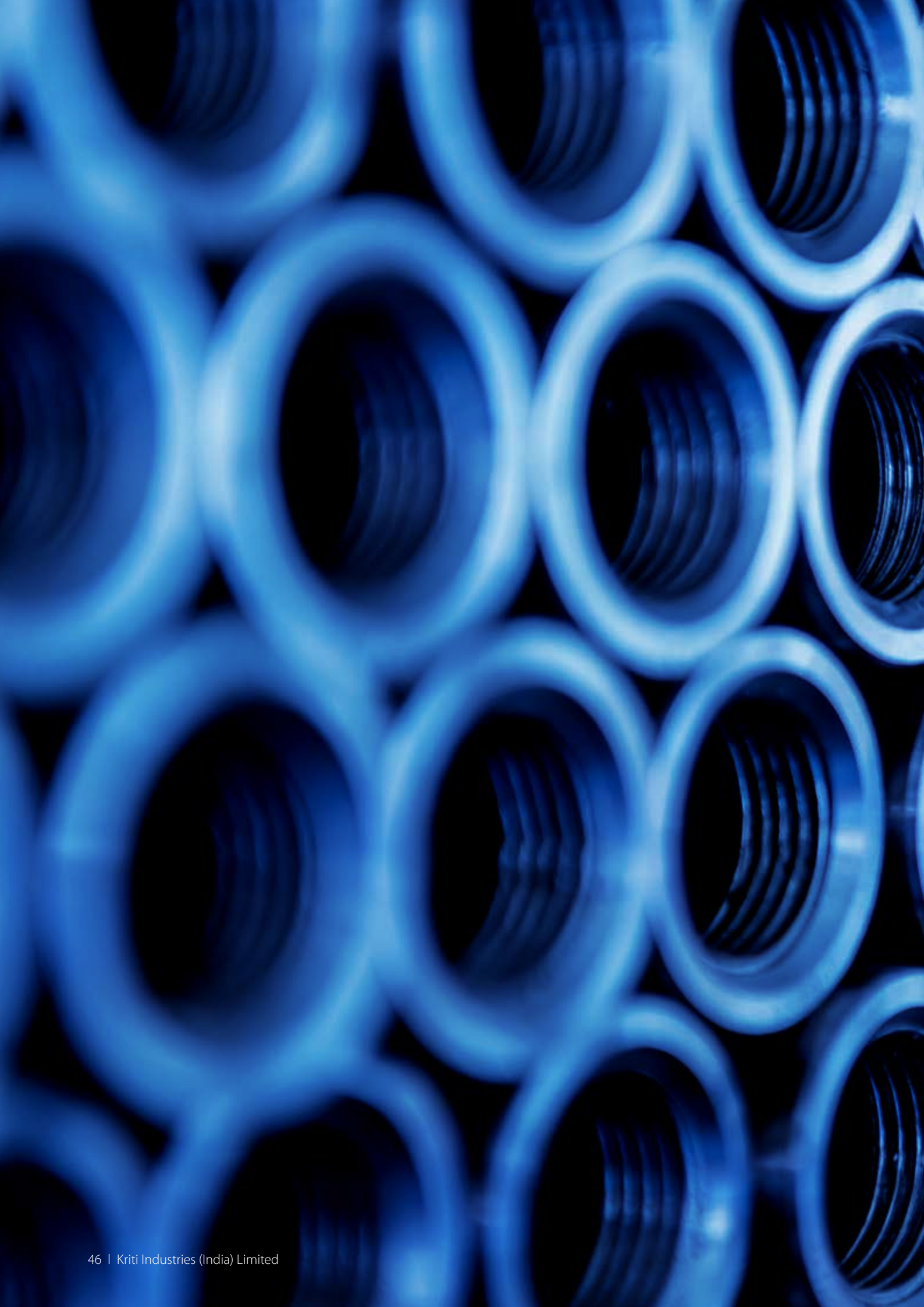
Q: What assures the company that the broad-basing will succeed?

The company has been a quality-committed player, reflected in credible quality certifications and a trustable brand, which is expected to continue. The company's Kasta brand is recognised for stability and quality; there will no change in the brand name even as brand spending is poised to increase. The company enjoys successful relationships

with institutional customers, which only needs to be scaled in terms of wallet share and reaching out to more customers. The company enjoys enduring relationships with trade partners, which will call for a greater wallet share on the one hand and access to a larger number of such intermediaries. The company enjoys respect for being ethical and values-led,

which will now be extended across a larger customer mix. The over-arching message that we wish to send out to our stakeholders is that much of the company will undergo a significant transformation while much of the company will continue to operate the way it has – constancy within change.





PART FIVE

Our
business
model and
integrated
value-
creation

'Do Right' and responsible citizenship





Overview

There is a growing conviction that good governance strengthens business sustainability, reflected in shorter business downcycles and longer up-cycles, the basis of value-creation. As a result, the role of good governance is central to business.

Kriti and sustainability

At Kriti Industries, we have consistently believed that our business needs to generate sustainable outcomes – in terms of a growth in revenues, profits, cash flows, people retention and other inputs. This commitment to businesses sustainability has influenced our decision making at various levels: ethical framework, helping trade partners build their business with us, fairness in engagement with all stakeholders, robust processes, proactive IT backbone investment, delegation of responsibilities, stable engagement with all stakeholders, under-borrowed Balance Sheet and a propensity to make value-added products.

Kriti and ESG

At Kriti Industries, our environment-social-governance (ESG) framework represents the platform of our sustainability.

The premium for a stable ESG commitment is more so in our business where the product (PVC pipe) needs to be embedded inside the earth and where any under-performance (leak or breakage) entails a sizable cost for detection, extraction and replacement. The result is that everything that we do is directed to an outcome – that consumers can buy our pipes, lay them and forget about them with no maintenance or repair costs incurred during their productive life cycle.

This peace of mind is arrived at through a responsible interplay of the three principal drivers of our existence – a commitment to do everything that protects the environment, a resolve to strengthen relationships with all those whose help take our business ahead and to work within a business framework that is credible, transparent and robust. The combination – environment, social and governance – provides a platform for doing the right things the right way leading to secure, scalable and sustainable long-term growth.

Our environment component addresses the world's priority that we consume environmentally responsible resources, utilise only an optimal quantum, recycle all the waste that our business generates, employ only a modest quantum of finite fossil fuels in the manufacture of our end product and engage in initiatives that moderate our carbon footprint.

Our social component addresses the need to invest in our culture, people, customer cum vendor relationships and social responsibility. We believe that this form of stability creates a predictability on our access to resources, employees and customers, strengthening business visibility and outcomes.

Our governance component prioritises the values and strategies with which our business will be conducted. It highlights conduct codes, explains Board composition and indicates alignment with the broadly accepted global governance principles. This articulation helped attract likeminded stakeholders leading to a commensurate valuation.

Environment

At Kriti Industries, we believe that the sustainably profitable companies of the future will also be those that engage in clean manufacturing practices that ensure that their business will never be censured or closed on account of transgression. This is a critical point in a world where buyers are willing to pay a premium for stable supply chains. At our company, this responsible environment approach has been woven around the 5 R's – Reduce, Recycle, Restore, Reuse and Renewable – leading to operational predictability, which enhances stakeholder confidence.

Commitment: At Kriti Industries, even as we run a relatively clean business with negligible emission or effluents generated, we are committed to moderate whatever carbon footprint our business possesses. This is fundamental to our existence and

reflected in the moderated use of resources, decline in wastage, enhanced renewable energy use and the use of cleaner processes and fuels.

Targeted outcomes: At Kriti Industries, we do not just believe that a decline in our carbon footprint will happen in the normal run of our business. We address this outcome the way we plan for an improvement in our financials: through targets, planned investments, responsibility allocation, periodic monitoring and course correction (if necessary). The company intends to achieve zero waste to landfill and zero effluent discharge targets while moderating water consumption intensity.

Responsibility architecture: At Kriti Industries, we believe that positive outcomes are derived from a robust organogram of responsible executives. Over the years, we invested in environmental management systems, environmental due diligence and

disaster planning & response systems. We also believe that growth can be best derived when the promoter charts out a strategic direction and leaves day-to-day management to professionals, strengthening a top-down and bottom-up commitment to sustain a clean business.

Investments: At Kriti Industries, we believe that positive outcomes are derived from a responsible investment in cutting-edge technologies. The company deepened investments in superior technologies (including renewable energy), strengthened its audit-driven and compliance-driven approach and enhanced the predictability of processes. An investment in research has helped optimise the resource mix, reducing the consumption of raw materials without compromising product quality. The result is that course corrections are made with speed and a check-balance approach has enhanced operational predictability.

Social

At Kriti Industries, we believe that a superior management of the 'social' side of the business enhances the stability of stakeholder relationships, a potent insurance in a volatile and unpredictable world. A stable employee profile helps retain knowledge better; stable vendor partners make it possible to access resources around a superior price-value proposition especially during crunch periods; stable customers makes it possible for products to be customised and the business to extend beyond transaction needs; stable community engagement

makes it possible for the beneficiary community to play a supportive role. We believe that stable stakeholders represent the platform for long-term sectorial outperformance.

Employees: At Kriti, we have invested in a culture of overarching excellence. This has been derived through prudent investments in our people (recruitment, retention and training). Besides, we invested in protocols, certifications, supports and invigorating culture. The result is a distinctive Kriti way of doing things, reflected in employee retention, engagement, productivity and pride.

Customers and vendors: The company deepened relationships with vendors (who provided capital equipment and spares) and primary customers (trade partners). Given the complex nature of material, the company selected to work with a large Indian vendor. The stability of its engagements enhanced business predictability, especially in crunch environments.

Community: The company engaged with communities around its manufacturing location with the objective to widen its prosperity circle through relevant interventions in line with Sustainable Development Goals.

Governance

At Kriti Industries, our governance platform comprises clarity on the way we intend to do business - do things the right way in addition to doing the right things.

Board of Directors: At Kriti Industries, we believe that our strategic direction is largely influenced by our Board of Directors. In view of this, we have placed a premium on our Board composition, which comprises professionals and industrialists of standing. These individuals have enriched our values, experience, multi-sectoral business understanding and strategic quality.

Think long-term: At Kriti Industries, we have selected to build the business around long-term viability. This approach has influenced our investments in assets, technologies, brands, people, locations, products and trade partners.

Focus: At Kriti Industries, we believe that core competence represents an insurance against cyclical downturns. We have been positioned not as much as a polymer pipes and fittings company as much as a fluid transmission products company (through the manufacture of PVC/ HDPE pipes and fittings). We believe that our extrusion competence has been leveraged to manufacture pipes of a larger diameter across applications (water /telecom / gas/ building products) and deliver implementation solutions (through pipes and ancillary products). This holistic positioning has opened us to emerging opportunities, knowledge professionals and product / process research.

Brand: At Kriti Industries, the biggest asset in our business is our Kasta brand. Our objective is to enhance

the brand's visibility and credibility, making it possible to attract new customers while enhancing our wallet share of existing customers (retail and institutional). The Kasta brand enjoys market leadership in its strongest market (Madhya Pradesh) where it commands a premium over competing varieties. The Company's Kasta brand stands for positive attributes ('expert ka vishwaas', 'bharosa', 'superior', 'best' and 'peace of mind').

Controlled growth: At Kriti Industries, we believe in controlled growth over fleeting profitability spikes. The Company allocated accruals into incremental investments without stretching its Balance Sheet. The company has grown revenues almost every single year across the last number of years; during sluggish markets, the Company has more than broken even.

Balance: At Kriti Industries, we balance caution and aggression (strategic aggression and tactical conservatism). We focus on capital investments that generate an attractively short-term payback, maximising cash flows and reinvestments. An indication of our balance is attractively low gearing and funding expansions through accruals.

Trust: At Kriti Industries, we believe that trust is the underlying element why customers buy from us, why employees engage with us, why vendors sell to us, why investors provide us risk capital, why bankers lend debt and why communities support us. We enhance this trust through initiatives described in this document.

Customer profile: At Kriti Industries, we are a retail-facing company, In FY 2021-22, we generated 85 per

cent of our revenues from retail customers. The institutional customers we serviced comprised respect-enhancing names like Tata Power, Reliance Communications and Indian Oil. The institutional component of the business is expected to increase as the company extends deeper into the telecom, gas and construction segments.

Data-driven: At Kriti Industries, we are an analytics-driven organisation that generates data-driven ground realities resulting in informed decision-making. In turn, the management provides this data and information to executives and distribution partners. This has helped mature the organisation to one driven largely by technology-aided information sharing.

Pan-India: At Kriti Industries, we were a regional company, largely operating out of two States. There has been a changed approach: the company has now extended to 16 States with the intention to emerge as a pan-Indian company across the coming years.

Debt philosophy: The company prefers to take a conservative approach to debt management, selecting to remain under-borrowed. This enhances strategic clarity and resistance during sectorial downcycles.

Relevance: The relevance of the company's business is growing as it addresses India's deepening water-stress, depleting groundwater resources, contaminated water supply, climate change, need for water productivity, declining water table, excessive monsoon-dependence, need for more irrigation and the rollout of government policies.

Broadbasing: At Kriti Industries, we have broadbased our manufacturing

infrastructure through capacity addition, wider products portfolio, expanded geographic footprint and wider presence across downstream sectors – telecom, gas and construction.

Solution: At Kriti Industries, we deliver one-stop polymer extruded solutions – from the manufacture of pipes with 20 mm to 710 mm diameter and applications extending from water to drip irrigation to gas to telecom, enhancing share of the primary customer's wallet (distributors).

Manufacturing capacity: At Kriti Industries, we invested in one of the largest capacities at a single location across the polymer pipe sector in India. This capacity has been structured for peak requirement during the post-monsoon season. The plant usually operates at peak utilisation during this period. The objective of the company is to enter new sectors with round-the-year applications that could strengthen the company's capacity utilisation (and profitability).

Product mix: At Kriti Industries, we leveraged our rich experience in product design and manufacture to graduate to larger-diameter pipes. The company possesses capabilities to manufacture pipes up to 710 mm diameter, addressing larger water throughput requirements and larger government outlays. The Company also developed large diameter pipes addressing the gas sector.

Distribution radius: Kriti Industries is engaged in the manufacture of a hollow product, making it competitive to market as close to the plant as possible. The company prefers to route products out of the single unit but deliver with speed to its primary customers (trade partners). The company maximised sales within 500kms of its manufacturing facility.

Distribution intensity: At Kriti Industries, the Company does not just market products wide; it has also selected to market products deep within its existing footprint. This priority has been manifested in the company reaching products down to towns, enhancing proximity to consumers and making it a preferred vendor.

Contiguous growth: At Kriti Industries, we believe in incremental geographic expansion: from one district to the contiguous other, leveraging economies of brand spending, distribution presence and managerial bandwidth.

Customer mix: At Kriti Industries, we are largely retail-focused, accounting for 85 per cent of revenues in FY 2021-22. The institutional sales generate volumes marked by longer receivables; the rest of the business was largely cash and carry, strengthening cash flows.

Sectoral mix: At Kriti Industries, the Company is broad-basing its personality beyond water transportation applications towards

fluid transportation. The Company intends to manufacture extruded products for application in the rapidly growing gas sector. The Company will manufacture pipes of a larger diameter for this application.

Primary customers: In the Company's markets of Madhya Pradesh and Rajasthan, the primary customers (trade partners) are Kasta's biggest ambassadors: they have worked with the company for years, experienced virtually no product rejects and widened to add other product dealerships. The result is that the Kriti association has proved beneficial for their respect, status and business. The company embarked on the creation of a similar network in the new States of our presence through a prudent selection of distribution partners based on their integrity, financial depth and long-term commitment to the business.

New market selection: The Company entered new States that represent the springboard of its future, accounting for a sizable share of the Indian extruded polymer products market. Some of these States have been affected by drought and erratic monsoons, making water storage and transmission imperative for agricultural survival. Besides, irrigation coverage accounted for 16.80 per cent of Maharashtra and 63 per cent of Telangana, indicating adequate prospects.

Our strengths

Balance Sheet

Pipes-plus approach (towards implementation solutions)

Moving from manufacturing focus to marketing centricity

High liquidity; net debt/EBITDA of 6.18 unlikely to change

High credit rating at BBB+

Efficient capital cost per tonne of manufacturing capacity

Marginal increase in average debt costs from 9.38 per cent to 9.56 per cent in FY 2021-22

Footprint

Presence in agriculture growth States

States enjoy a deep farming tradition

Presence in contiguous districts

Portfolio

Address the needs of farm, real estate, gas and telecom sectors

Proprietary product development; manufacture a widening product range

People

Deep capabilities in product development, quality manufacture, branding and marketing

Established capability across different States

Scaled presence in New states from scratch to critical mass with speed

Transparency

Engage periodically with analysts and investors

Listed on NSE

Enhance business reporting through the Annual Report

The financial outcomes of our business model

Equity

The Company has not diluted its equity since its IPO in 1993, indicating a conservative dilution approach.

Ownership

The Company's equity is largely held by the promoters (66 per cent) ensuring that they possess a high engagement in the company's prosperity.

Profits

The Company has generated profits and paid dividends in every single year of the last decade, indicating business sustainability.

Gearing

The Company's gearing (including working capital) was 0.52 during the year under review, reflecting the investment in enhanced manufacturing capacity. The total long-term debt during the year under review was ₹ 19,60 Cr (as on 31st March, 2022).

Credit rating

The Company's business fundamentals resulted in maintaining credit rating – BBB+ (CARE).

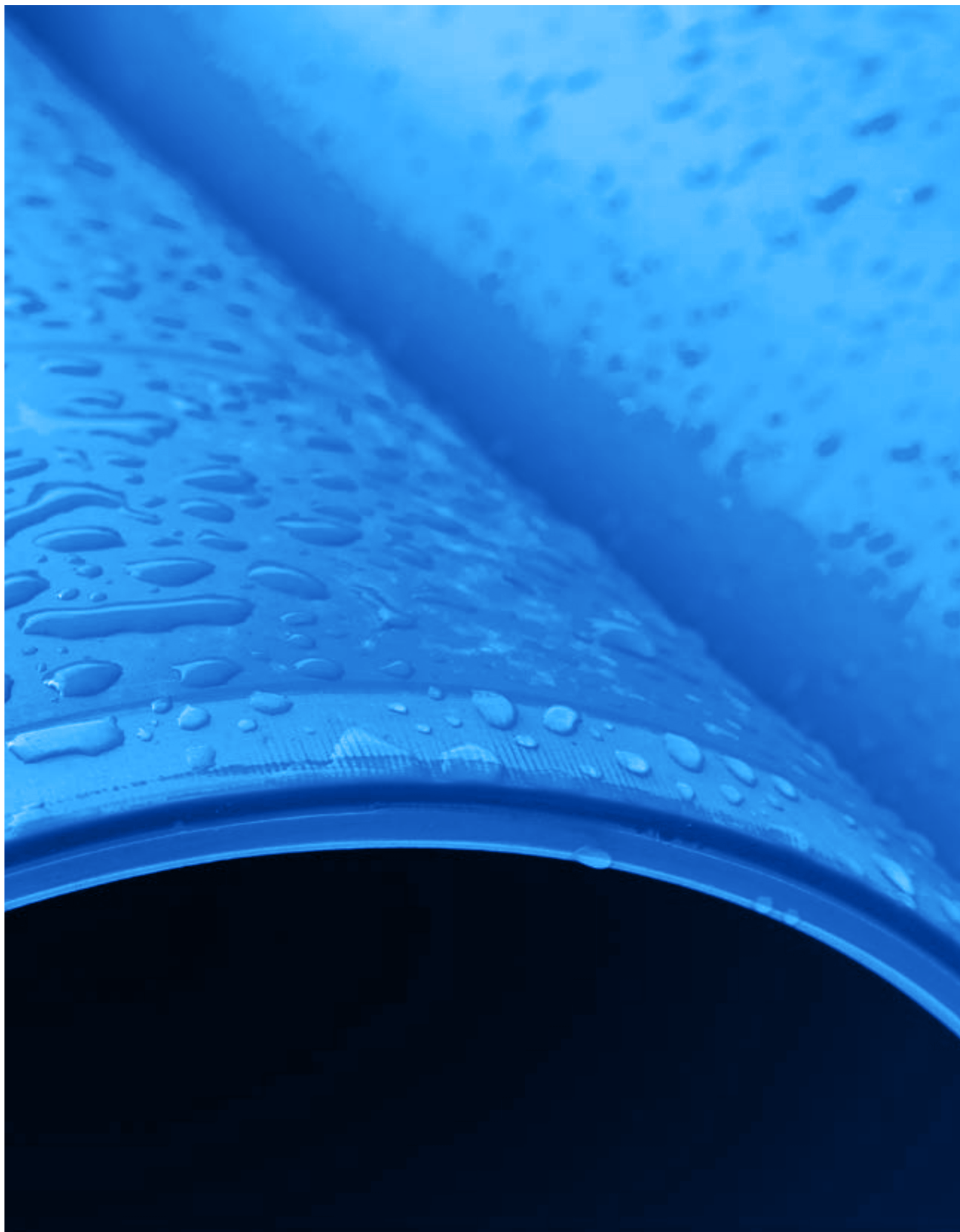
EBITDA margins

The Company EBITDA margin stood at 7.37 per cent in FY 2021-22..

Debt cost

Debt cost could be managed at the same level.

Our Integrated Value Report



In this overview, we present the reporting skeleton that makes it possible to report one's corporate performance through the Integrated Reporting prism with reasonable detail.

The section provides relevant information to our shareholders and other stakeholders about our

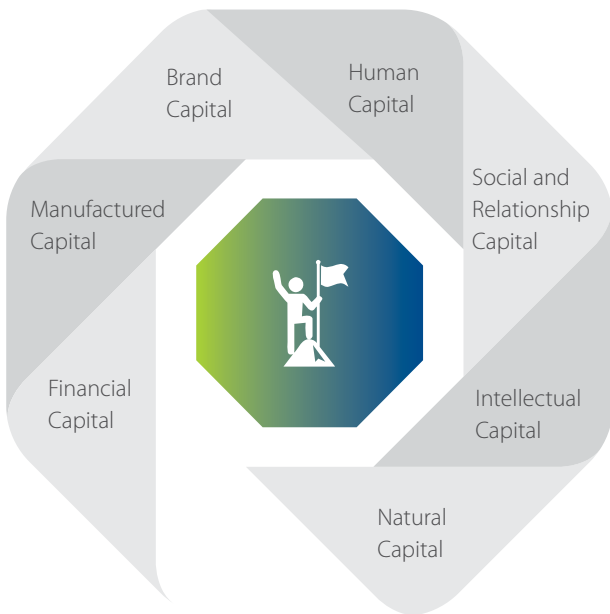
performance, governance, material risks or opportunities, strategy and prospects.

The report provides material information relating to the Company's strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance from 1st April, 2021 to 31st March, 2022.

It covers information on the Indian operations of the company and extends beyond financial reporting to include non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which influence value-creation.

Capitals

All Our ability to create long-term value is interrelated and fundamentally dependent on various forms of capitals available to us (inputs), how we use them (value-accretive activities), our impact on them and the value we deliver (outputs and outcomes).



Stakeholders

Our relationships with stakeholders play a key role in our efficiency to deliver integrated business solutions to our customers.



UN Sustainability Development Goals

Our business is aligned with most of the sustainability priorities stipulated by the United Nations, underlining its responsibility and relevance.



The Kriti Industries business model

What we access...	What we engage in...	This is how we enrich stakeholders...
<p>Passionate people</p> <p>Our 490 people invest their skills across our offices and factories, responding with commitment .</p>	<p>Consumer insights</p> <p>We access consumer insights through periodic engagements with trade partners and institutional customers</p>	<p>Consumers</p> <p>We provide superior products and brands that address customer needs</p>
<p>Trusted suppliers</p> <p>Our network of around 5000 suppliers aggregate resources and materials to provide us with dependable products.</p>	<p>Product building</p> <p>We utilise insights aggregated from the market, specialists and employees to build products and brands.</p>	<p>People</p> <p>We reward talent, resulting in extended and meaningful engagement.</p>
<p>Committed partners</p> <p>Our multi-stakeholder relationships (with governments, customers, NGOs and others) widen our impact</p>	<p>Sourcing</p> <p>We buy raw and packaging materials to manufacture products and offer services.</p>	<p>Customers</p> <p>We engage with trade partners and retailers to generate mutual business growth.</p>
<p>Input materials</p> <p>We consume a range of raw materials, packaging materials and polymers to manufacture products.</p>	<p>Manufacturing</p> <p>We employ proprietary and third-party infrastructure to transform resources into finished products.</p>	<p>Suppliers & partners</p> <p>We engage deeper with suppliers to manufacture better products, resulting in business sustainability</p>
<p>Financial resources</p> <p>We aggregate financial resources from capital/debt providers to sustain business growth.</p>	<p>Logistics</p> <p>We have developed a team of logistic partners to supply products to various retail outlets.</p>	<p>Planet & society</p> <p>We focus on protecting planet health and widening our prosperity circle</p>
<p>Intangible assets</p> <p>We invested in a range of brands, research competencies, intellectual property, manufacturing capability, technologies and organisational structure</p>	<p>Marketing</p> <p>We advertise products; we create digital content that makes it easy for consumers to make an informed purchase decision.</p>	<p>Shareholders</p> <p>We focus on enhancing shareholder value through consistent, profitable and sustainable growth.</p>
<p>Owned and leased assets</p> <p>We own one manufacturing facility and two offices.</p>	<p>Sales</p> <p>We use multi channels to provide products to consumers wherever convenient for them. Our products are available in 5000 outlets.</p>	

Statement of value created during the year under review

Financial capital

EBITDA	Cash earnings per share	RoCE
₹ 40.26 Cr	₹ 4.46	21.21%
Net cash surplus	RoNW	
₹ 22.10 Cr	355.17 %	
Cash operating profit		
₹ 25.90 Cr		

Manufactured capital

Manufactured throughput	Manufactured units
37,966 mt	One in India

Human capital

The company's management, employees and contractual workers form a part of its workforce with their experience and competence, enhancing organisational value (numbers relevant as of FY 2021-22).

Employees	Age profile	Employee benefits
490	68.57 % less than 45 years	₹ 23.24 Cr

Natural capital

The company consumes raw materials sourced from crude oil extracted from the earth. Its activities are directed to have only a moderate environment impact.

Significant investment in eco-friendly technologies

16.40 Cr

Recycled quantum

2% of all water consumed

Social and Relationship capital

The company's relationships with communities and partners (vendors, suppliers and customers) influence its role as a responsible corporate citizen.

Vendors

5,000+

Primary customers

~520

Lives touched

300000+

% of consumer complaints resolved

100%

Brand capital

The company's strength lies in creating brands from scratch and sustaining them over time through a unique value proposition and anytime product availability.

Power Brand

Kasta

Major categories:

Irrigation segment (now diversifying)

Brand spending, FY 2021-22:

₹ 2.67 Cr

Brand spending as % of revenues

0.50

Business that led their segments:

Agriculture pipes

Sharing and investing the value created

544.74

₹ Cr, Turnover,
FY 2021-22

22.10

₹ Cr, Cash profit
in FY 2021-22

14.03

₹ Cr, Net profit
in FY 2021-22

Value-creation activity, FY 2021-22

Employees

23.24

₹ Cr, investment
in employee
remuneration

Vendors

465.22

₹ Cr, materials
procured

Investors

0.99

₹ Cr, paid out
as dividend

Consumers

257

Products added or
relaunched in
16 States

Communities

0.57

₹ Cr, CSR
spending

Capital
expenditure

21.93

₹ Cr, capex for
technology
and capacity
creation

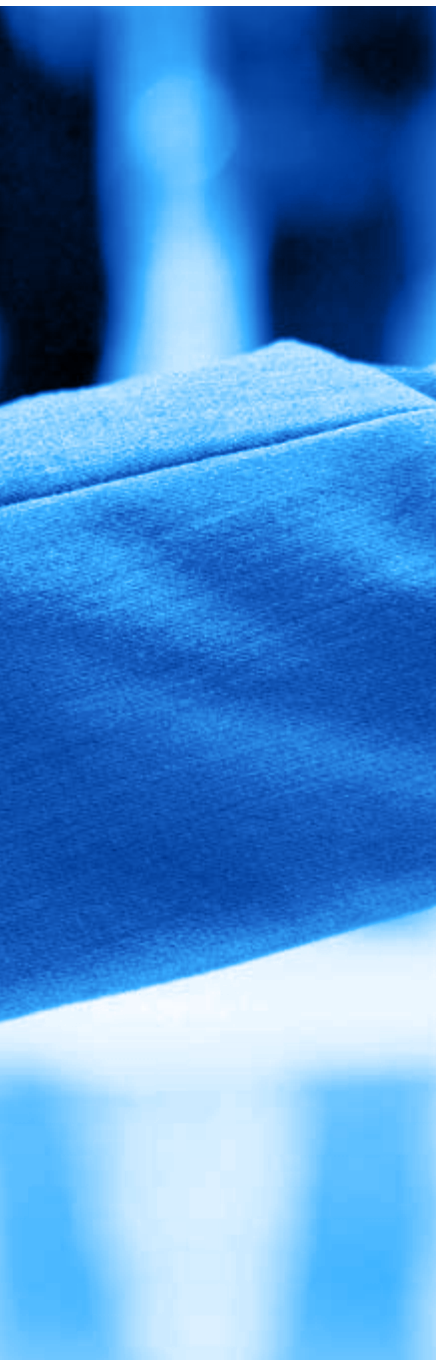
Exchequer

118.45

₹ Cr, exchequer
contribution

How Kriti is positioned to enhance shareholder value





Overview

The company is Central India's largest polymer pipes company

The company enjoys a leadership position in Madhya Pradesh in specific pipe segments

The company has endured and prevailed across market cycles

The company was relatively under-borrowed with a gearing of 0.15 at the close of FY 2021-22

The company is extending from one (predominantly) to multiple downstream sectors

Kriti's value-enhancing model

Kriti is attractively placed to enhance value into the long-term for some good reasons.

The company's sector has matured; there are no competing product genres on the horizon

The company has demonstrated its capacity to out-compete conventional, product segments like MS steel pipes

The company's sector faces unprecedented demand in India across the foreseeable future

There is room for an established brand like Kasta to extend from one downstream segment to others (non-agriculture)

The company possesses a robust and under-borrowed Balance Sheet coupled with a net worth of ₹ 153.76 Cr as on 31st March, 2022

The company intends to broadbase – in terms of downstream sectors, products and geographies

The company intends to extend into large contiguous States serviced within 600 kms from its manufacturing plant

The broad elements of how we intend to enhance shareholder value

Assets

Capacity

We possess adequate manufacturing capacity (1,37,880 TPA) to service growing demand

Proximity

We generated 73 per cent of our FY 2021-22 revenues from within 600 kms; we intend to grow this proportion

Brand

Our Kasta brand is visible and credible to address growing demand and downstream application diversification

Scale

We are among the 5 largest Indian polymer pipe companies; we are present in 213 districts across 16 states

Positioning

Solution

We have extended beyond mere product sale to product implementation solutions

Diversification

We are diversifying across different verticals (gas, telecom and construction); we believe that when consumers think of PVC pipes, they will think of us

Capacity utilisation

We enjoy an attractive headroom (based on the low capacity utilisation achieved in FY 2021-22), indicating no additional investments to be made

Discipline

Culture of austerity

We believe in a culture of austerity, focusing on enhancing return from a rupee of invested capital

Adequately invested

We are opportunity-prepared on account of being adequately invested in infrastructure, capacity, trade partner relationships, Balance Sheet and brand visibility

Receivables discipline

We have established a tight control on our receivables and collections, protecting cash flows across market cycles

Confidence

Promoter ownership

Kriti's promoters owned 66 per cent in the company's equity capital in FY 2021-22, enhancing stakeholder confidence

Transparency

The company's Annual Report is high on disclosures, strengthening transparency-led confidence among stakeholders

Listing

The company was listed on National Stock Exchange in FY 2021-22, strengthening visibility, confidence and liquidity

Outcomes

Sustainable growth

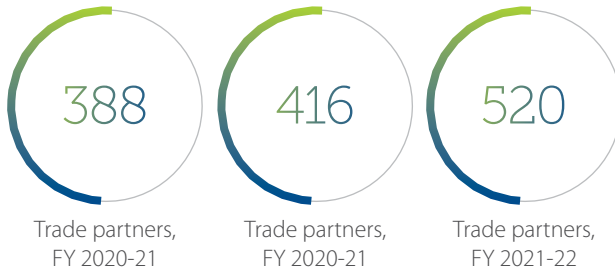
We believe that our sectorial diversification will translate into stable and predictable growth

Value-addition

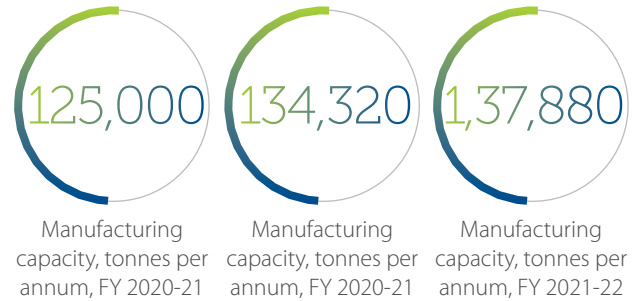
Our diversification will enhance revenues derived from value-added pipes and fittings

How we strengthened our business

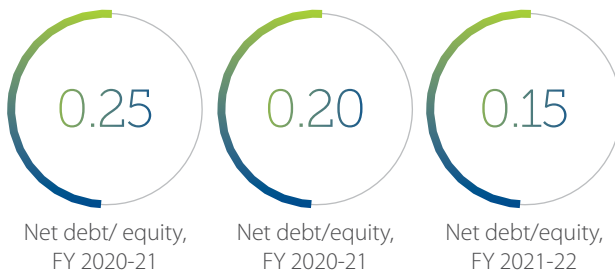
Number of trade partners



Manufacturing capacity



Gearing



How we delivered a superior market valuation

Capital appreciation



Cumulative dividend payout





PART SIX

Building our
core around
sustainability

How Project Udaan is transforming our company

Overview

In a thin margin business influenced by commodity price swings, there is an imperative need to discover an additional spread from within. This often shoots below expectations and potential because the efforts are limited in scope and coverage.

A few years ago, Kriti Industries embarked on the initiative to create a focused and sustainable programme to enhance efficiency across organisational functions with numerical objectives around deadlines. This came to be known as Project Udaan, a platform for organisational reinvention and resurgence.

Kriti and Project Udaan

Project Udaan covered the organisation's products, sales and geographic presence. What made this project challenging was that it was conducted concurrently with the ongoing business; those with functional responsibilities were required to additionally address Project Udaan requirements. By seeding the business with catalysts, the company built into it an element of sustainable growth in revenues and profitability.

During the last few years, Project Udaan focused on enhancing sales, widening the product portfolio and expanding presence in different geographies. Besides, the project examined possibilities in doing more with fewer resources. What started as a project directed at business

expansion evolved into an exercise in transformation: not only focusing on the 'what' but also the 'how'.

Strengths

The company strengthened its monitoring system, revealing business gaps and hence, opportunities.

The company implemented an institutionalised review framework that enhanced outcomes.

The company streamlined and automated business platforms that moderated costs and tenures.

The company identified expansion opportunities in existing and markets, creating a basis for business growth.

The company enhanced operational transparency that resulted in informed decision making

Highlights, FY 2021-22

- Established the company as a full-range solution provider in Maharashtra, Telangana and Gujarat
- Majority of sales in the new States of presence were delivered through Project Udaan platforms.

Business Transformation

A formal Business Transformation Office was created in FY 2020-21 to empower CXOs to achieve challenging targets through problem-solving, diagnostic

surveys, platform creation and process standardisation.

The BTO initiative was invested with competencies related to sales and manufacture - data analyst, sales / plant associates, sales / technical consultants, project leads, business development and operational excellence managers and business transformation.

Gradually, the BTO emerged as a captive consulting team that assisted the company in the creation of empowered teams, differently skilled groups, collaborative engagement and informed data-based decision making. What made this exercise effective is that the BTO targeted distinctive topline and bottomline outcomes on the one hand and an enriched working culture.

The BTO strengthened the company's sales and manufacturing functions during the year under review through the following initiatives:

- Strategic thinking unit
- Digitisation of the sales function
- Increased transparency between the sales and manufacturing functions
- Stronger monitoring
- Business transformation and turnaround competence
- High organisational transparency

How Mission Udaan is transforming realities within the company

1 Mission Udaan focus

- Strengthen revenues
- Increase margins

2 Mission Udaan drivers

- Deepen penetration in the existing markets
- Enhance sales from new geographies
- Increase per cent of value-added products
- Generate higher plant throughput
- Enhance Kasta brand visibility

3 Mission Udaan outcomes

Revenue from value-added products



per cent of overall revenues, FY 2020-21



per cent of overall revenues, FY 2020-21



per cent of overall revenues, FY 2021-22

Revenue from new States



per cent of overall revenues from new states (Maharashtra, Telangana and Gujarat) under Mission Udaan, FY 2020-21



per cent of overall revenues from new states (Maharashtra, Telangana and Gujarat) under Mission Udaan, FY 2020-21



per cent of overall revenues from new states (Maharashtra, Telangana and Gujarat) under Mission Udaan, FY 2021-22

Mission Udaan and enhanced shareholder value

Terrain entry

Andhra Pradesh and Karnataka

Premiumisation

All product segments in Madhya Pradesh and Rajasthan

Full-range solution provider

Maharashtra, Telangana and Gujarat

Value-addition / leadership

Building products and water tanks

Kriti Industries and operational efficiency



Overview

Over the years, the Company reinforced its operational effectiveness through timely investments in adequate production capacities, cutting-edge technologies and rigorous quality control.

The result of this operational discipline is that Kriti is respected for product quality and capability to manufacture a range of pipes, enhancing its acceptability across customers from a range of downstream sectors. Besides, the company's

manufacturing process is marked by a high operational efficiency (lower waste) and output consistency.

Our key strengths

Brand: At Kriti Industries, our proprietary brand Kasta commands a superior recall on the basis of product consistency, quality and service. The result is a quicker product offtake during various market cycles and premium over competing varieties.

Technology: The Company invested in state-of-the-art manufacturing facility in Pithampur, reflected in a superior product quality, quality

consistency and lower waste.

Quality-driven: The Company is a market leader in the geographies of its presence on account of its consistently superior quality. This is the result of a quality system comprising established processes and certifications reinforced by a culture of training and knowledge sharing.

Ethics: The Company has generated

enduring respect for its fairness, transparency and ethical conduct, enhancing a perspective that it can be trusted.

Flexibility: The Company possesses the capacity to manufacture pipes for diverse downstream applications (following corresponding investments, certifications and training).

Our challenges and responses, FY 2021-22

During the year under review, the Company's operations were affected by a sharp increase in the cost of PVC resin, a principal component in pipe manufacture. The Company attempted to mitigate the impact through a balance between domestic purchase and imports. The Company negotiated bulk discounts based on its large purchase volume; its superior process helped moderate the impact of raw material inflation.

The business was affected on account of a demand decline following the second Covid wave, extended monsoon and price inflation. The Company engaged with new trade partners across a wider geographic footprint, larger sales and marketing team and a wider products portfolio.

Key initiatives

• The Company made prudent investments to widen its product range in the building pipes (BP) and column segments, moderating to some extent

the seasonality of its agriculture pipes business.

- The Company reduced product weight without comprising quality
- The Company enhanced operational efficiency through equipment refurbishment, generating improvements in quality, economy and productivity.
- The Company invested in multi-cavity moulds in fittings to enhance productivity.
- The Company installed a captive solar energy unit in addition to exploring the open power access option, moderating costs
- The Company conserved water by 50 per cent through utility upgradation.
- The Company focused on sustainable production and product development to catalyse innovation; this resulted in weight reduction, finishing, aesthetics and packaging.
- The Company debottlenecked capacities at intermediate points of the manufacturing process to enhance throughput potential

• The Company added more than 100 products to address wider consumer choice

• The Company strengthened its resource inventory management to balance material availability and inventory holding costs

• The Company reduced raw material intensity in its business by around 1 per cent through a culture of operational excellence

• The Company achieved IMS certification, strengthening its quality management system.

The road ahead

The Company is expected to register pipes and fittings demand growth in the current next financial year (especially in the building pipes and columns segment) following business broadbasing and accessing demand from diverse downstream sectors. Besides, the probability of lower polymer prices is expected to enhance affordability.

Why customers trust Kriti Industries



"We purchase all products related to agriculture, building and plumbing from Kasta because of our trust. Our customers believe that 'Kasta ka product hai toh achcha hi hoga!' Besides, during the Covid-19 pandemic, Kasta helped us with financial schemes that enhanced profits and liquidity. Kasta provided us a balanced price for specific products (PVC pipes) when the market was volatile. We desire Kasta to be our one-stop solution for all our requirements so that we can call ourselves a wholesome Kasta distributor."

Vikas Agrawal, Agrawal Fertiliser Limited, Jabalpur (Madhya Pradesh)



"We are proud to belong to the Kasta family for 20 years. We exclusively market Kasta pipes; we do not deal with any other brand. There are good reasons for this: Kasta has a transparent trade policy for distributors; the senior management respects our opinions and acts accordingly when needed; when employees were terminated during the pandemic, Kasta continued working with us and the result is that we could retain all our 30 people."

Neeraj Gupta, Mahamaya Enterprises Ltd., Katni (Madhya Pradesh)



"Kriti Industries' customer portal has improved efficiency, customer acquisition and growth as we get all customer details on our fingertips. The result: our increased market share to 80 per cent. Purchasing from Kriti has helped reduce delivery time and logistics cost. Ten years ago, when we faced financial problems due to the subsidy system introduced by the government, Kasta helped by providing nearly ₹ 1 Cr credit. The company is family to us."

Subhan Patidar, Badrinarayan Patidar & Company, Ujjain (Madhya Pradesh)



"My father started his association with Kriti with an initial order worth ₹ 50. At present, the minimum order lot is for ₹ 5000. We would sell 50 pipes in three months then; we now sell 5000 pipes in two or three weeks. Our turnover has increased from ₹ 10,000 in 1984 to ₹ 10 Cr per year now. My father would tell me that Kriti's was a small factory in Dewas where the MD would supervise pipes manufacture. He is an idol because of his growth journey. Woh char shabd bolte hai lekin unke baat mai itna wazan hota hai ke koi ek ghanta boley unpe bhi wo char shabd bhari padte hai. In a trade conference I had once said, 'Agar haath ke nass kaat do, toh hamare khon mai Kasta likha hua milega!'"

Aman Suluja, Jagjeet Machinery Store, Sonkutch (Madhya Pradesh)



"After Kriti's Youngistan seminars, I understood the right way to communicate with my father, which helped me to bridge the gap between us. The result is that my golden years were from 2012 to 2016 when my father and I worked like friends. In February 2016, when my father passed away, I was not authorised to operate the bank account which affected the business. Kriti helped during this crisis; it did not send me a debit note till I could settle my accounts and it continued to supply products. With Kriti I have grown my business ten times in ten years. We purchase all Kasta products (building products, agricultural products, blue casing, sprinkler pipe, CPVC pipes, SWR pipes, water tank pipes etc.). Kriti has transformed my public image and fortunes."

Sachin, Sachin Hardware, Berasia (Madhya Pradesh)

How Kriti has created a passionate workplace



"I joined Kriti in July 2015 as a senior accounts officer. Today, I am the deputy manager of the accounts department at the organisation. Kriti provides for a great working environment that helps a worker grow personally and professionally."
Deputy Manager, Accounts, Kriti Industries (India) Limited



"During the second Covid-19 wave, the company allowed employees to work from home and provided free vaccination to all employees and their family members. A special whatsapp group was created so that the senior management could be in touch with each employee in real-time. Whenever there was an update on Covid-19 cases on the whatsapp group, the management moved with speed to help."



"In a challenging FY 2021-22, no employee was fired nor suffered a pay cut; increments were provided on time. Besides, our Managing Director and Executive Director were personally involved to ensure that each worker and his/her family stayed safe. The word that describes Kriti is 'family'.
Head of the Department (Purchase), joined 2010, Kriti Industries (India) Limited



"Kriti's senior management is supportive and approachable. Better, the senior management is involved with each individual - professionally and personally - which is rare."

"The two things that are not there at Kriti: hierarchy and extensive paperwork, catalysing decision making, training and job-readiness. The organisation provided salary increments to employees each year, pandemic or no pandemic. And yes, it is a safe place for women to work in."



"The most incredible thing about working in Kriti Group is a full-hearted acceptance when an individual joins the company. The encouragement is immense. Equal opportunities are provided, there is freedom of expression across hierarchies and there is huge scope for growth."



"Kriti's senior management is driven by a 'quality above all' proposition. There is no concept of resource adulteration when resource costs increase. This is why the company's products are respected across market cycles."



"At Kriti, we are one happy family with a great working environment that is beneficial for the growth of the employee and Company."
Assistant General Manager, Kriti Industries (India) Limited



"Kriti's Managing Director is patient, gentle and a mentor who is connected to each employee - personally and professionally."



What describes Kriti Industries are the words 'Second home'.
Manager - Commercial (Kriti Industries)



"Our sales administration department uses SAP-HANA technology and has opted for alternative methods of leveraging value of this IT asset, when suggested by a colleague."

Board of Directors



Name: Mr. Shiv Singh Mehta

Designation: Chairman and Managing Director

Tenure on Board: 32 years

Education: Bachelor's degree in Electrical Engineering and Master Degree in Business Administration

Strengths: Finance, marketing, technical and business administration

Achievements: Awarded Arya Chanakya (MP) Award for Corporate Governance and Corporate Social Responsibility and the Plastindia Foundation Award for his contribution to India's plastics industry.

Previous experience
President of Plastic Processors of India.

Areas of expertise

1. Financial diversity
2. Global business
3. Leadership
4. Technology
5. Mergers and acquisitions
6. Board service and governance
7. Sales and marketing
8. Sustainability and ESG
9. Risk expertise



Name: Mr. Saurabh Singh Mehta

Designation: Director

Tenure on Board: 4 years

Education: Bachelors of Engineering in Computer Science from Ohio State University and MBA from S.P. Jain Institute of Management & Research.

Strengths: 10+ years of experience in administration, marketing and IT.

Areas of expertise

1. Financial diversity
2. Global business
3. Leadership
4. Technology
5. Sales and marketing
6. Risk expertise



Name: Ms. Purnima Mehta

Designation: Whole-Time Director

Tenure on Board: 22 years

Education: B.A. (Honours) and PGDBM.

Strengths: Accounts & finance, purchase, IT, HR and administration. Holds the membership in Audit Committee, Stakeholders Relationship Committee and CSR Committee.

Areas of expertise

1. Financial diversity
2. Global business
3. Leadership
4. Technology
5. Mergers and acquisitions
6. Board service and governance
7. Sales and marketing
8. Sustainability and ESG
9. Risk expertise



Name: Mr. Rakesh Kalra

Designation: Independent Director

Tenure on Board: 16 years

Education: B.Tech from Birla Institute of Technology and Science, Pilani.

Strengths: Four decades of experience in engineering and automobile industry.

Other appointments: President of Foton India Operations.

Previous experience: Eicher Motors and Mahindra Navistar from initial stages and grew them into formidable players.

Areas of expertise

1. Financial diversity
2. Global business
3. Leadership
4. Technology
5. Mergers and acquisitions
6. Board service and governance
7. Sales and marketing
8. Sustainability and ESG
9. Risk expertise



Name: Mr. Manoj Fadnis

Designation: Independent Director

Tenure on Board: 16 years

Education: Graduate degree from Devi Ahilya University, Diploma in Information Systems Audit (DISA) and a Chartered Accountant.

Strengths: Specialised in Corporate Accounting & Reporting Standards, Direct Taxes, Corporate Laws and FEMA.

Achievements: Presented more than 1000 technical papers in seminars and conferences within India and internationally.

Other appointments: Partner at Fadnis & Gupte and a board member of Yes Group and Federal Bank.

Previous experience

President of ICAI in FY 2015-16, Chairman of Accounting Standards Board in FY 2010-13, President of Confederation of Asian Pacific Accountants in FY 2017-19.

Areas of expertise

1. Financial diversity
2. Leadership
3. Technology
4. Mergers and acquisitions
5. Board service and governance
6. Risk expertise



Name: Mr. Chandrasekhran Bhaskar

Designation: Independent Director

Tenure on Board: 6 years

Education: B.Tech. (Chemical engineering), MIMA, PGDM (IIM-Calcutta).

Key strengths: Experience of 38+ years in consulting industry. Expertise in corporate and business planning, market research, asset revaluation, marketing, operations and factory management.

Other appointments: Elected Fellow of the Indian Plastics Institute.

Previous experience: Associated with Tata Sons Limited/Tata Economic Consultancy service for 5 years and 33 years with Xpro India Limited.

Areas of expertise

1. Financial diversity
2. Global business
3. Leadership
4. Technology
5. Mergers and acquisitions
6. Board service and governance
7. Sales and marketing
8. Sustainability and ESG
9. Risk expertise



Name: Mr. Hitendra Mehta

Designation: Independent Director

Tenure on Board: 0.6 years

Education: Bachelor's Degree in Civil Engineering

Key strengths: Renowned Indian designer in construction industry and architect engaged in urban planning and project management

Other appointments: Architect in the name of his consultancy firm Mehta and Associates LLP (extended operations to the whole of Madhya Pradesh, Gujarat, Rajasthan, Maharashtra, Chhattisgarh, Andhra Pradesh and Delhi with 150+ specialised professionals)

Areas of expertise

1. Financial diversity
2. Global business
3. Leadership
4. Technology
5. Sales and marketing
6. Sustainability and ESG
7. Risk expertise

Board experience



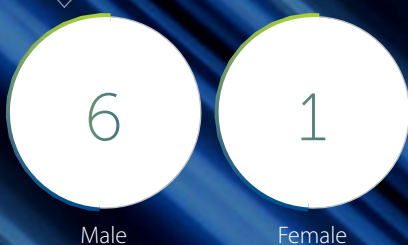
Board Committees (in numbers – out of all how many are in each committee)



Board age profile



Diversity



Management discussion and analysis

Global economic overview

The global economy grew an estimated 5.9 per cent in 2021 compared to a de-growth of 3.3 per cent in 2020. This improvement was largely due to increased vaccination rollout the world over and a revival in economic activity based on catch-up consumption.

The global economic recovery is attributed to accelerated vaccine rollout across 4.4 Billion people, around 56 per cent of the global population (single dose). The spot price of Brent crude oil increased 53.34 per cent from US\$ 50.37 per barrel at the beginning of 2021 to US\$ 77.24 per barrel at the end of the calendar year, strengthening the performance of oil exporting countries and moderating growth in importing nations. Global FDI reported an increase from \$929 Billion in 2020 to an estimated \$1.65 trillion in 2021.

The global economy was affected by prohibitive shipping freight rates, a shortage of shipping containers and semiconductor chips in 2021, affecting global economic recovery. Inflation was at its highest since 2011, especially in the advanced economies, catalysed by a run up in commodity prices. Some emerging and developing economies were positioned to withdraw policy support to contain inflation even as the economic recovery was still incomplete.

The prominent feature of the global economic activity during the year under review was a sharp revival in commodity prices to record levels following the drop at the time of pandemic outbreak. The commodities that reported a sharp increase in prices comprised steel, coal, oil, copper, foodgrains, fertilisers and gold.

The global economy is projected to grow at a modest 2.6 per cent in 2022 following

the Russia-Ukraine crisis. A higher interest rate environment could affect emerging markets and developing economies with large foreign currency borrowings and external financing needs in 2022.

Regional growth (per cent)	2021	2020
World output	5.9	(3.3)
Advanced economies	5.0	(4.9)
Emerging and developing economies	6.3	(2.4)

(Source: IMF, World Bank, UNCTAD)

Performance of major economies

United States: The country reported a GDP growth of 5.7 per cent in 2021 compared to a de-growth of 3.4 per cent in 2020, following the government's investment of trillions of dollars in COVID relief.

China: The country's GDP grew 8.1 per cent in 2021 compared to 2.3 per cent in 2020 despite it being the novel coronavirus epicentre.

United Kingdom: The country's GDP grew 7.5 per cent in 2021 compared to a 9.9 per cent de-growth in 2020.

Japan: The country reported a growth of 1.7 per cent in 2021 following a contraction in the previous year.

Germany: The country reported a GDP growth of 2.9 per cent in 2021 compared to a decline of 4.9 per cent in 2020.

(Source: World Bank, IMF, Business Standard, Times of India)

Indian economic overview

The Indian economy reported an attractive recovery in FY 2021-22, its

GDP rebounding from a de-growth of 7.3 per cent in FY 2020-21 to a growth of 8.7 per cent in FY 2021-22. By the close of FY 2021-22, India was among the six largest global economies, its economic growth rate was the fastest among major economies (except China), its population at around 1.40 Billion makes it the second most populous country in the world and its rural under-consumed population arguably the largest in the world.

Y-o-Y growth of the Indian economy

	FY19	FY20	FY21	FY22
Real GDP growth (per cent)	6.1	4.2	(7.3)	8.7

Growth of the Indian economy, FY 2021-22

	Q1, FY22	Q2, FY22	Q3, FY22	Q4, FY22
Real GDP growth (per cent)	20.1	8.4	5.4	4.1

The Indian economy was affected by the second wave of the pandemic that affected economic growth towards the fag end of the previous financial year and across the first quarter of the financial year under review. The result is that after a growth of 1.6 per cent in the last quarter of FY 2020-21, the Indian economy grew 20.1 per cent in the first quarter of FY 2021-22 due to a relatively small economic base during the corresponding period of the previous year.

India's monsoon was abundant in 2021 as the country received 99.32per cent of a

normal monsoon, lower than the previous year. The estimated production of rice and pulses recorded volumes of 127.93 Million tonnes and 26.96 Million tonnes respectively. The total oilseeds production of the country recorded a volume of 371.47 Million tonnes. Moreover, based on the spatial and temporal distribution of the 2021 monsoon rainfall, the agricultural gross value added (GVA) growth in FY 2021-22 is anticipated to be 3-3.5 per cent. The country's manufacturing sector grew an estimated 12.5 per cent, the agriculture sector 3.9 per cent, mining and quarrying grew by 14.3 per cent, construction sector grew by 10.7 per cent and electricity, gas and water supply grew by 8.5 per cent in FY 2021-22.

There were positive features of the Indian economy during the year under review.

Foreign direct investments (FDI) in India increased 1.95 per cent to US\$83.57 Billion in FY 2021-22 from US\$81.72 Billion in FY 2020-21, a validation of global investing confidence in India's growth story. The government approved 100 per cent FDI for insurance intermediaries and increased FDI limit in the insurance sector from 49 per cent to 74 per cent in Union Budget FY 2021-22.

India surpassed the ₹ 88,000 Cr target set for asset monetisation in FY 2021-22, raising over ₹ 97,000 Cr with roads, power, coal, mining and minerals accounting for a large chunk of the transactions.

The Indian government launched a four-year ₹ 6 Lakh Cr asset monetisation plan (roads and highways, pipelines, power transmission lines, telecom towers, railways station re-development, private trains, tracks, goods sheds, dedicated freight corridor, railways stadiums, airports, projects in major ports, coal mining projects, mineral mining blocks, national stadia, redevelopment of colonies and hospitality assets).

In 2021, India was the largest recipient of global remittances. The country received US\$ 87 Billion during 2021, with the US being the largest source (20 per cent). India's foreign exchange reserves stood at an all-time high of US\$ 642.45 Billion as on 3rd September, 2021, crossing US\$ 600 Billion in FOREX reserves for the first time.

India's currency weakened 3.59 per cent from ₹ 73.28 to ₹ 75.91 to a US dollar through FY 2021-22. The consumer price index (CPI) of India stood at an estimated 5.3 per cent in FY 2021-22. India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of FY 2021-22 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy. The country recorded its all-time highest GST collections in March 2022 standing at ₹1.42 Lakh Cr, which is 15 per cent higher than the corresponding period in 2021.

India ranked 62 in the 2020 World Bank's Ease of Doing Business ranking. The

country received positive FPIs worth ₹ 51,000 Cr in 2021 as the country ranked fifth among the world's top leading stock markets with a market capitalisation of \$3.21 trillion in March 2022.

The fiscal deficit was estimated at ~₹ 15.91 trillion for the year ending 31st March, 2022 on account of a higher government expenditure during the year under review.

India's per capita income was estimated to have increased by 16.28 per cent from ₹ 1.29 Lakh in FY 2020-21 to ₹ 1.50 Lakh in FY 2021-22 following a relaxation in lockdowns and increased vaccine rollout.

India's tax collections increased to a record ₹ 27.07 Lakh Cr in FY 2021-22 compared with a budget estimate of ₹ 22.17 Lakh Cr. While direct taxes increased 49 per cent, indirect tax collections increased 30 per cent. The tax-to-GDP ratio jumped from 10.3 per cent in FY 2020-21 to 11.7 per cent in FY 2021-22, the highest since 1999.

Retail inflation in March stood at 6.95 per cent, which was above the RBI's tolerance level of 6 per cent but fuel prices played no part in this surge. Retail inflation spiked to a 17-month high in March 2022, above the upper limit of the RBI's tolerance band for the third straight month.

(Source: Economic Times, IMF, World Bank, EIU, Business Standard, McKinsey, SANDRP, Times of India, Livemint, InvestIndia.org, Indian Express, NDTV, Asian Development Bank)

Indian economic reforms and Budget FY 2022-23 provisions

The Budget FY 2022-23 seeks to lay the foundation of the Indian economy over the 'Amrit Kaal' period of the next 25 years leading to 100 years of independence in 2047. The government is emphasising the role of PM GatiShakti, inclusive development, productivity enhancement & investment, sunrise opportunities, energy transition and climate action, as well as Financing of Investments.

The capital expenditure target of the Indian government expanded by 35.4 per

cent from ₹ 5.54 Lakh Cr to ₹ 7.50 Lakh Cr. The effective capital expenditure for FY 2022-23 is seen at ₹ 10.7 Lakh Cr. An outlay of ₹ 5.25 Lakh Cr was made to the Ministry of Defence, which is 13.31 per cent of the total budget outlay. A boost was provided to India's electric vehicle policy 'Scheme for Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicle in India'. An announcement of nearly ₹ 20,000 Cr was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An expansion of 25,000 km was initiated for FY 2022-23 for the national highways network. To

boost the agricultural sector, an allocation of ₹ 2.37 Lakh Cr was made towards the procurement of wheat and paddy under MSP operations. An outlay of ₹ 1.97 Lakh Cr was announced for the Production Linked Incentive (PLI) schemes across 13 sectors.

The Indian economy is projected to grow by a little over 7 per cent in FY 2022-23 (World Bank estimate), buoyed by tailwinds of consistent agricultural performance, flattening of the COVID-19 infection curve, increase in government spending, favourable reforms and an efficient roll-out of the vaccine leading to a revival in economic activity.

Across the next three years, capital expenditure in core sectors - (cement, metal, oil refining and power) - should

be about ₹ 5 trillion. Besides, the government's production linked incentives (PLI)-led capex should

generate an incremental ₹ 1.4 trillion in sectors like consumer durables, pharmaceuticals and automobiles.

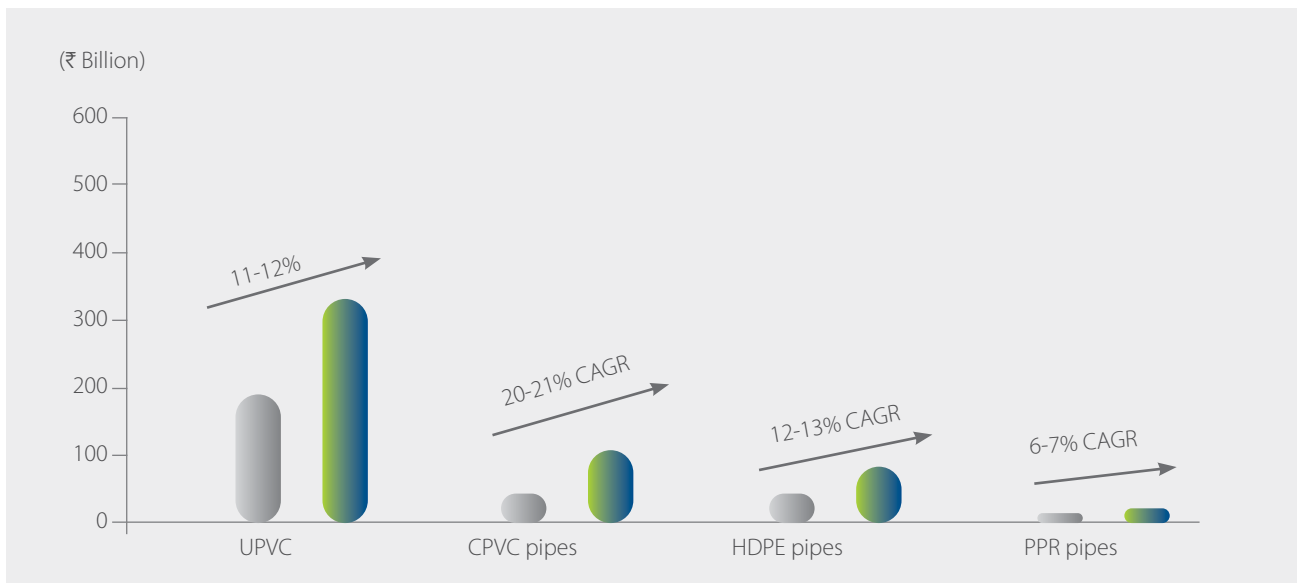
Indian PVC market review

The Indian polyvinyl chloride (PVC) market was estimated at US\$ 4.12 billion in 2021. PVC pipes are light with a smooth surface that ensures a rapid flow of water compared to pipes made from iron or concrete. Plastic pipes are made of various polymers. In terms of PVC consumption in India, the western region accounts for more than 50 per cent of demand followed by North and South India, accounting for 40-42 per cent together. The four main types of PVC pipes comprise unplasticised polyvinyl chloride (UPVC), which contributes to 64 per cent of the industry demand, chlorinated polyvinyl chloride (CPVC) contributes 16 per cent, HDPE contributes 15 per cent and 4 per cent is contributed by polypropylene (PPR).

The advantages of PVC pipes

- More durable compared to steel and concrete pipes
- Lower maintenance and installation costs
- Enhanced corrosion resistance leading to safe drinking water
- Highly eco-friendly as against other pipes and recyclable
- Greater resistance to harmful chemicals and disinfectants
- Simple to install; protected for workers
- Greater resistance to flame; ignition point of 450 degrees celsius

Plastic pipes : Growth across each segment from FY 2019-24



SOURCE: CRISIL Research

Types of PVC pipes

UPVC pipes: Irrigation and agriculture related activities account for around 65 per cent demand of these pipes while the rest comes from residential and commercial plumbing. In the past decade, replacement of galvanised iron pipes with UPVC pipes has supported demand growth. This segment has been aided due to features such as affordability and longer life compared with GI pipes. Government initiatives such as

Accelerated Initiative Benefits Programme (AIBP) also encompasses growth potential. Over the years, the product has become commoditised increasing its presence in the unorganised sector. On account of the rapid growth in agriculture and plumbing segments, UPVC segment is anticipated to grow at a CAGR of 10-11 per cent between FY 2020-24. UPVC segment is expected to witness a healthy offtake from numerous government schemes related to irrigation and agricultural

infrastructure development.

CPVC pipes: CPVC pipes are principally used in plumbing applications, along with hot and cold, potable water distribution systems. The segment is still at a developing stage in India and factors such as longevity, corrosion free, fire resistant, being lead-free and the ability to withstand high temperatures validates its potentiality. CPVC is largely divided into two grades based on

end use applications (a) pipe grade and (b) fitting grade. Branded players have historically maintained a strong foothold in this segment as most of the raw materials are to be imported. Tying up of technology licensing is required with globally renowned players. The product is preferable for self-supporting constructions where temperatures increase to 90°C. It is used as a material for water piping systems in residential as well as commercial construction because it can withstand corrosive water

at temperatures of 40°-50°C or higher. The segment is estimated to grow at ~15-17 per cent CAGR between FY 2020-24 driven by the plumbing segment, demand for which is largely B2C in nature.

HDPE pipes: HDPE pipes are majorly applied in irrigation, sewerage and drainage, city gas distribution, chemical and processing industries. These pipes are durable, requires low maintenance cost and its longevity compared to traditional metal and cement pipes have made them prominent in the sector. Government

schemes, such as PMKSY, are anticipated to support the segment. The segment is estimated to witness 10-11 per cent CAGR growth between FY 2020-24.

PPR pipes: PPR pipes account for 5 per cent of Indian plastic pipes industry and this segment is expected to witness a CAGR growth of 6-7 per cent between FY 2020-24. These pipes are used for various industrial purposes and are relatively expensive as against other plastic pipes, which restricts their usage. (Sources: Chemanalyst, Equirus securities)

Segment	Industry size (₹ Billion)	Applications
PVC/UPVC pipes	254	Agricultural and residential water supply
CPVC pipes	65	Residential plumbing applications
HDPE pipes	60	Irrigations, sewerage, city gas distribution
PPR pipes	21	Specialised industrial applications
Total	400	

Source: Company, Equirus Securities

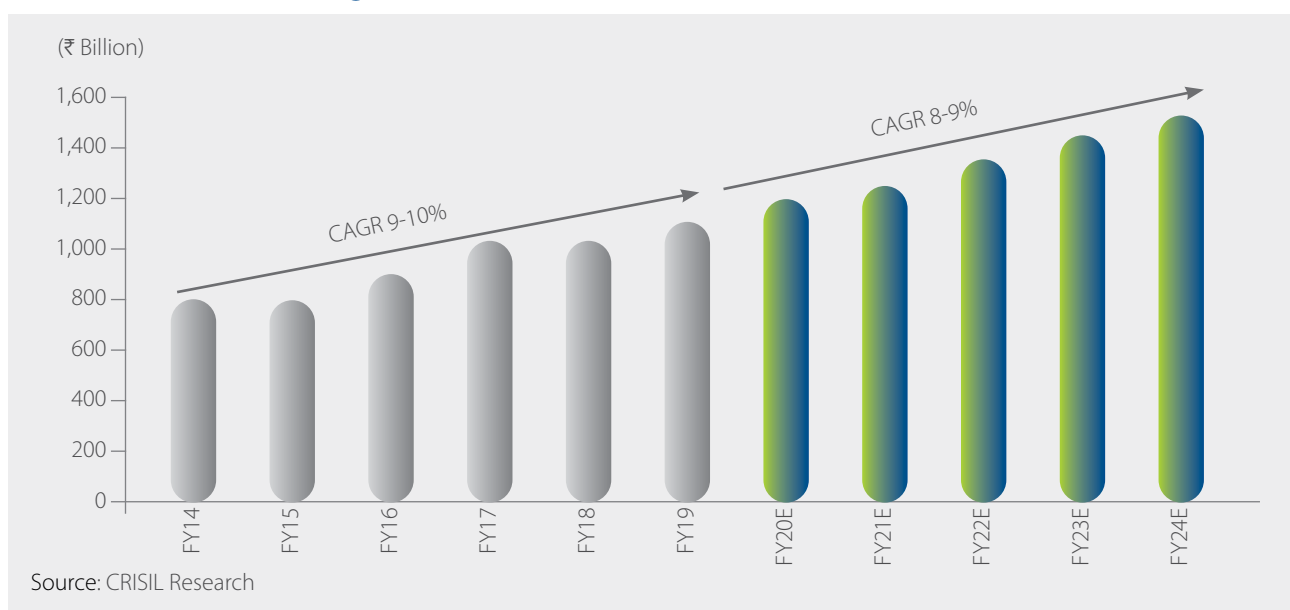
Major downstream plastic pipe users

Irrigation: The irrigation sector contributes 45-50 per cent of pipe demand in India and could emerge as a growth driver due to robust government focus on the development of irrigation-related infrastructure to help farmers increase incomes, moderate their dependence on monsoons and terminate water wastage. Plastic pipes are mainly used in irrigation and WSS projects majorly of public sector companies.

Groundwater continues to be the biggest source of irrigation in India. In India, out of the total agricultural land ~49 per cent is under irrigation while the rest 51 per cent is entirely dependent on rain as estimated by CRISIL. States like Maharashtra, Karnataka and Madhya Pradesh requires urgent increase of irrigation coverage which will drive investments by 10-15 per cent in FY 2021-22. Construction expenditure in irrigation is expected to increase to ₹ 3.7 trillion between FY 21-FY 25 compared to ₹ 3.1 trillion during FY16-FY 20. The Government has

taken various measures for the irrigation segment in FY 2021-22 like increase in agricultural credit to ₹ 16.5 trillion in FY 2021-22 and setting up a micro-irrigation fund with ₹ 50 billion corpus under the NABARD scheme. Initiatives such as Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), Accelerated Irrigation Benefits Programme (AIBP), Command Area Development and Water Management (CADWM) Programme have increased volume offtake from the irrigation sector.

Investments in India's irrigation sector



Government initiatives

Har Ghar Nal Se Jal: The Government of India covered 8.7 Cr households under this scheme, out of which 5.5 Cr households were provided tap water in the last two years. Further, the government plans to allocate ₹ 60,000 Cr to provide potable water to another 3.8 Cr households in FY 2022-23 under the Har Ghar Nal Se Jal programme.

Jal Shakti Abhiyan: The Government of India launched the Jal Shakti Abhiyan (JSA) in 2019, a time-bound campaign with a mission-mode approach to improve the availability of water including the groundwater conditions in the water-stressed blocks of 256 districts in India. Until the mission was launched, only 3.23 Cr rural households were reported to possess the supply of tap water out of the total 18.93 Cr households in the rural parts of the nation. As on 12th April, 2021, 4.07 Cr rural households were provided tap water connections. Currently, the total number of targeted households stood at 19.18 Cr, out of which 7.31 Cr rural households were provided with tap water connections under the mission.

Jal Jeevan Mission: The Government of India released ₹ 5,968 Cr to 15 states for the implementation of Jal Jeevan Mission in FY 2021-22. It is the first tranche of the four to be released during this period of time. Out of the central fund allocation made under the Jal Jeevan Mission, 93 per cent of the fund is to be utilised on the development of water supply infrastructure, 5 per cent on the support activities and 2 per cent on water quality maintenance and surveillance activities.

Pradhan Mantri Krishi Sinchai Yojana (PMKSY): The government aims to enhance rural prosperity by enhancing water availability to all agricultural farms, leading to higher production and productivity.

Real estate: Real estate is a major end-user of plastic pipes in India. Sectorial demand has been sluggish over the past few years and developers had to delay the delivery of projects owing to approval delays and financial issues. The real estate sector is expected to see continued recovery over the next 3-4 years. Pradhan Mantri Awas Yojana (PMAY), a scheme

under the 'Housing for All by 2022' programme, saw a robust construction over the past three financial years, especially in FY 2018-19 and FY 2019-20. Under PMAY-Urban, the ministry has sanctioned 11.1 Million houses as on March 2021 against the assessed demand of 11.2 Million houses. Out of these 7.3 Million houses are grounded and more than 4.3 Million have been delivered. Under the 1st phase of PMAY – Gramin, 19.2 Million (90 per cent) houses were sanctioned while 13.6 Million (71 per cent) have been completed. Government's vision to provide piped water access across urban and rural households could certainly surge volume growth opportunities. Between FY 2021-26, total allocation of ~₹ 1.1 trillion is expected, cost of piping material for last mile connectivity would be between 8-12 per cent of the total budget allocated, which potentially means that ₹ 80 billion to ₹ 120 billion worth of piping would be essential.

Real estate demand drivers

Rising population: The population of India stands at 1.40 billion in 2022 and is expected to surpass that of China by the year 2023. This rise in population is anticipated to have a positive effect on the Indian real estate segment, pushing forward the demand of the same.

Urbanisation: The country's urban regions are witnessing a shift from the rural areas. This shift in population will be complemented by a rise in demand for houses accordingly.

Traction in tier II and III cities: A rise in demand for plastic pipes in tier II and tier III cities was witnessed in the recent years. The healthy growth trajectory is anticipated to see another upward trend during the time spanning 1st April, 2019 to 31st March, 2024.

Surging demand from the rural sector: The rural market has a low penetration and lesser availability of branded PVC pipes and fittings. The demand in the sector has witnessed a surge, which was driven by rising disposable income of the farmers on account of government initiatives such as higher MSPs and the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA). Marketing efforts coupled with the implementation of GST will assist the

branded players in increasing the rural penetration.

Tax incentives by the government:

The interest-subvention scheme, interest deduction from taxable income, tax exemption for principal repayment and capital gains exemption are also anticipated to be major growth drivers for the sector. (Source: CRISIL Research)

The real estate sector in India is anticipated to grow to US\$ 1 trillion in market size by 2030, a rise from US\$ 200 billion in 2021 and is expected to contribute 13 per cent to the country's GDP by 2025. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for the country's growing needs. Furthermore, Indian firms are anticipated to raise more than US\$ 8 billion through infrastructure and real estate investment trusts in 2022, as compared with raised funds worth US\$ 29 billion till date.

Telecom: India is the world's second-largest telecommunications market. The total subscriber base of the country on September 2021 stood at 1,189.15 Million. Moreover, the tele-density of the rural subscribers reached 59.33 per cent in September 2021, from 58.96 per

cent in September 2020. This rise is an indication of a potential demand growth from the rural sector. Furthermore, the total wireless or mobile telephone subscriber base reached 1166.02 Million in September 2021 from 1,148.58 Million in September 2020. The total number of internet subscribers reached 794.88 Million in September 2021. Out of this subscriber base, the number of wired internet subscribers stood at 24.29 Million and wireless internet subscribers at 787.94 Million in September 2021.

The Government initiatives towards India's telecom sector comprise the following:

5G: The government plans to drive the development of 5G technology, the Department of Telecommunications (DoT) has developed a fifth generation (5G) innovation group.

Reducing financial stress: In August 2021, the Department of Telecommunications (DoT) commenced its discussions with banks for addressing the financial stress in the telecom sector.

Rise in foreign direct investment (FDI): The FDI cap in the telecom sector has been raised from 74 per cent to 100 per cent and from 49 per cent to 100 per cent via the automatic route. A permission of up to 100 per cent FDI has been granted to infrastructure providers offering dark

fibre, electronic mail and voice mail.

Over the next five years, mobile-phone penetration is expected to rise and data costs are expected to decline, resulting in an addition of 500 Million new internet users in India, creating opportunities for new businesses.

Urban infrastructure: Owing to the reduced spending led by the COVID-19 pandemic, investment in urban infrastructure is anticipated to increase as postponed projects resume and the Government concentrates on Swachh Bharat Mission, Jal Jeevan Mission, AMRUT and metro projects, majority of which were under implementation and have achieved financial closure. Urban infrastructure is expected to witness an expenditure of ₹ 2.9 trillion between FY21-FY25, growing 1.35 times compared to the last five financial years. WSS projects are expected to receive 50 per cent of the allocations, driven mainly by state governments and centrally sponsored programmes such as Jal Jeevan Mission, AMRUT and Swachh Bharat Mission. Metro construction is expected to attract major investments in urban infra development after WSS. Spending in metro rail is estimated to enhance by 1.3 times to ₹ 1 trillion in the next five years. Majority of these projects are under implementation and have achieved financial closure. The pandemic-led lockdown and labour migration led to reduced investments in FY 2020-21. Although, projects delayed this financial year are anticipated to resume in FY 2021-22. Various project announcements and implementations by various state governments will fuel medium-term growth of the pipe sector. (Sources: Equirus securities, CRISIL)

The government's initiatives to take this sector ahead comprise the following:

Smart City Mission: The Government has proposed the establishment of 4000 new Smart Cities in addition to the existing ones.

Housing for all by 2022: This scheme was initiated on 25th June, 2015 and was also known as Pradhan Mantri Awas Yojana (PMAY). This scheme was initiated with the prime objective to reduce the housing shortage of poor people in the

urban areas, with the Ministry of Housing and Urban Poverty Alleviation estimating a shortage of about 20 Million dwelling units for this group of people. PMAY wishes to address this by offering central assistance to the implementing agencies through states and union territories to all eligible families/beneficiaries by FY 2021-22.

Road construction: In FY 2021-22, government initiatives such as the National Infrastructure Pipeline, National Monetisation Pipeline, Bharatmala Pariyojana, changes in the Hybrid Annuity Model (HAM) and fast pace of asset monetisation took place in order to boost the road construction sector. (Source: IBEF)

The infrastructure sector has turned to be the biggest focus area for the Government of India. The nation plans on spending US\$ 1.4 trillion on infrastructure from FY 2018-19 to FY 2022-23 to have a sustainable development of the country. The Government has suggested investment of ₹ 50 Lakh Cr for railway infrastructure from FY 2017-18 to FY 2029-30, enhancing the growth of the sector.

Gas: As of 2021, the natural gas consumption in India stood at 201.26 MMT. According to the IEA, this figure is anticipated to grow by 25 cubic meters at an average annual growth rate of 9 per cent until 2024. The country's medium-term outlook for natural gas consumption remains strong on account of increasing infrastructure and supportive environment policies. Furthermore, industrial consumers are anticipated to account for ~40 per cent of India's net demand growth. The demand is also expected to be driven through sectors such as residential, transport and energy.

The government's initiatives comprise the following:

Commercialisation: The country aims at commercialising 50 per cent of its SPR (strategic petroleum reserves) to raise funds and build additional storage tanks for offsetting high oil prices.

Crude oil release: In November 2021, India made an announcement that it will release five Million barrels of crude oil from its strategic petroleum reserves in

an effort to pull down the global crude oil prices. This is roughly equivalent to a day's consumption in the country.

Enhancing natural gas availability: In November 2021, the government has set up a committee to work out the measures needed in making natural gas available to power plants at reasonably stable prices.

Increase in refining capacity: In October 2021, a revised project cost of ₹ 28,026 Cr was approved by the Union Ministry of Petroleum & Natural Gas to increase the refining capacity for the ongoing Numaligarh Refinery Expansion Project from 3 MMTPA to 9 MMTPA. (Source: IBEF)

India is set to expand its natural gas grid to 34,500 kms by adding another 17,000 km gas pipeline. The regasification capacity of the existing 42 MMT per annum will be expanded to 61 MMT per year by 2022.

Company overview

Kriti Industries is engaged in the manufacturing of plastic polymer piping systems, moulded plastic products, and accessories. Over the years, the Company has evolved to be among the most respected and renowned players in the industry. It functions in the polymer segment serving to agriculture, building products, micro irrigation and infrastructure.

The application of the company's products comprise the following sectors:

Agriculture: RPVC pipe and fittings, casing pipe, PE coils, sprinkler systems, submersible pipe, suction and garden pipe.

Building products: SWR and drainage pipe and fittings, CPVC and plumb pipe and fittings, garden pipe and water tank.

Micro-irrigation: Micro-irrigation lateral (inline and online), sprinkler systems, RPVC pipes and fittings.

Infrastructure and datacom: RPVC ring fit pipe (elastomeric) and fittings, HDPE and MDPE (PE) pipes and fittings, PLB telecom duct and micro-ducts.

Financial performance

Revenues: Revenue during the year stood at 546.08 Cr as against ₹ 590.23 Cr in FY 2020-21.

Interest and finance costs: Net interest and finance costs moderated by 30.90 per cent in FY 2021-22.

Profit after tax: The Company reported a profit after tax of ₹ 14.03 Cr as against ₹ 38.23 in the previous year

Key ratios

Particulars	FY 21-22	FY 20-21
Turnover	544.74	589.17
Debt-equity ratio	0.68	0.55
Return on equity (per cent)	10.00	31.00
Book value per share (₹)	31.00	28.49
Earnings per share (₹)	2.83	7.71

Risk management

Economic risk: Economic slowdown might hamper the performance of the business

Mitigation: The GDP of the country rebounded with a growth of 8.7 per cent in FY 2021-22. The economic growth coupled with government targets of doubling farmer's income by 2022 is expected to surge irrigational activity, leading to an increased demand for pipes.

Product risk: The Company's failure to manufacture various kinds of products could impact off-take.

Mitigation: The Company is occupied in the manufacturing of polymer pipes, mainly Poly Vinyl Chloride (PVC) and Poly Ethylene (PE), appropriate for portable water supply, irrigation, building construction and infrastructure. The extensive portfolio of products empowers the Company to increase visibility by serving different market segments.

Competition risk: Entry of growing number of rival firms could impact the Company's profitability and market share

Mitigation: Over the years, the Company has established itself among the most respected and credible companies across the world by imparting quality products and services to the customers. The Company has successfully managed to retain more than 400 of its customers for more than 5 years.

Information technology

The Company has successfully

implemented SAP HANA, which enabled the business in increasing business analytics and efficiency, leading to growing operational efficiencies. The Company is carrying on investing in Information Technology (IT) viz. SAP Enterprising Resource Planning System, CRM, HRM and Sales Force Mobility with the aim of reinforcing its infrastructural base and operational efficiencies. Continuous advancements in technology will help in attaining growth of the Company for the foreseeable future.

Internal control systems and their adequacy

The Company's robust and intricate internal control systems ensure there is efficient use and protection of resources and compliance with policies, procedures and statutory requirements. We have developed well-documented guidelines, procedures for authorisation and approvals which include processes such as audits. Integral to the overall governance, we have a well-established internal audit frame work which extensively covers all aspects of financial and operational controls, covering all units, functions and departments. The Company also has an efficient financial reporting system in place. Our internal audit team consists of senior members across various functional departments some of whom are also key managerial personnel of the company. They actively engage in the evaluation and improvement of various functions and activities of the Company including restaurant operations and other support functions and departments. The Company also has an Internal Audit cell which supports the Audit Committee besides the independent review of internal controls, operating systems and procedures by external auditors.

Human resources

The Company employed 490 officers and workers as on 31st March, 2022. The development of individual and collective competencies has helped the company in increasing the value of human capital and in turn, stay in step with market developments and requirements. The company implemented programs and projects related to skill development and up gradation of employee competence. Knowledge sharing programmes were conducted. A number of innovative ideas received from employees were implemented, resulting in enhanced quality, cost optimisation and productivity.

Cautionary statement

The statements in the 'management discussion and analysis' section describing the Company's objectives, projections, estimates and prediction may be considered as forward-looking statements. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market positioning, expenditures and financial results are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievement may thus differ materially from those projected in such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent developments, information or events.

The FDI cap in the telecom sector has been raised from 74 per cent to 100 per cent and from 49 per cent to 100 per cent via the automatic route. A permission of up to 100 per cent FDI has been granted to infrastructure providers offering dark fibre, electronic mail and voice mail.

NOTICE

NOTICE is hereby given that the **32nd Annual General Meeting** of the Members of **Kriti Industries (India) Limited** will be held on **Wednesday the 17th August, 2022 at 3.00 P.M.** through Video Conferencing (VC) or Other Audio Video Means (OAVM) for which purposes the corporate office of the company situated at **8th Floor, Brilliant Sapphire Plot No.10, PSP, IDA, Scheme No.78, Part II, Indore (M.P.) -452010** shall be deemed as the venue for the Meeting and the proceedings of the Annual General Meeting shall be deemed to be made thereat, to transact the following businesses:

ORDINARY BUSINESSES

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements containing the Balance Sheet as at 31st March, 2022, the Statement of Profit & Loss, Statement of Cash Flow, Change in Equity and notes thereto of the Company for the Financial Year ended 31st March 2022 and the reports of the Board of directors and Auditors thereon as on that date.
2. To consider and declare dividend on 4,96,03,520 equity shares of Re. 1/- each for the Financial Year ended 31st March, 2022.
3. To appoint a director in place of **Mr. Saurabh Singh Mehta** (DIN 00023591) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

SPECIAL BUSINESSES

4. **TO RATIFY THE REMUNERATION PAYABLE TO THE COST AUDITORS**

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

“RESOLVED THAT pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), the members of the Company be and hereby ratify the payment of remuneration of Rs. 35,000 (Rupees Thirty Five Thousand Only), plus applicable taxes and reimbursement of out of pocket expenses at actual to S.P.S Dangi, Cost Accountant, Indore (Registration No. 100004) appointed by the Board on the recommendation of the Audit Committee, as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2023.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

5. **CONFIRMATION FOR APPOINTMENT OF MR. HITENDRA MEHTA (DIN: 01935959) AS AN INDEPENDENT DIRECTOR:**

To consider and, if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2015 read with Schedule IV of the Companies Act, 2013 and the provisions of the SEBI (LODR) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), **Mr. Hitendra Mehta** (DIN: 01935959), who was appointed by the Board as an Additional Director under the category of Independent Director w.e.f. 13th August, 2021, in terms of Section 161 of the Companies Act, 2013 and Article of Association of the Company and a declaration has been received from him confirming that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, be and is hereby appointed as an Independent Director of the Company to hold office for a first term of 5 (Five) Consecutive Years w.e.f. 13th August, 2021 till 12th August, 2026 and his office shall not be liable to retire by rotation.

6. **TO APPROVE THE TRANSACTIONS/CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES UNDER REGULATION 23 OF THE SEBI (LODR) REGULATIONS, 2015.**

To consider and if thought fit, to convey assent or dissent to the following **Ordinary Resolution**.

RESOLVED THAT pursuant to the provisions of Regulation 23 of the SEBI (LODR) Regulations, 2015 (“SEBI Listing Regulations”) read with the provisions of section 188 read with section 185 of the Companies Act, 2013 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Company’s policy on Related Party Transactions, consent of the members of the company be and is hereby accorded to enter into transactions/ contracts / arrangement, in the ordinary course of its business and on arm’s length basis, for purchase, sale or deal in the products, goods, stock in trade, Transfer of

Resources including receiving/ providing loans and advances or such other transactions, on such terms and conditions as may be mutually agreed upon between the company and all related party for an amount upto **Rs.100 Crores (Rupees One Hundred Crore only)** in each financial year.

RESOLVED FURTHER THAT the Board of Directors of the company, jointly and/or severally, be and is hereby authorized to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party, finalize the terms and conditions as may be considered necessary, expedient or desirable and execute such agreements,

documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this Resolution in the interest of the company.

Date: 30thMay, 2022

Place: Indore

Kriti Industries (India) Limited

CIN: L25206MP1990PLC005732

Registered Office:

Mehta Chambers, 34 Siyaganj,

Indore-452007

By order of the Board

Pankaj Baheti

Company Secretary

ACS 64494

NOTES:

- In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8thApril, 2020, Circular No.17/2020 dated 13thApril, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated 5thMay, 2020,Circular No. 2/2021 dated 13thJanuary, 2021and Circular No. 2/2022 dated 5thMay, 2022, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM only and no physical presence at the meeting is required.
- Pursuant to the Circular No. 14/2020 dated 8thApril, 2020 followed by Circular No. 2/2021 dated 13thJanuary, 2021, issued by the MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate thereat and cast their votes through e-voting.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders holding 2% or more share capital, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Secretarial Auditors, Scrutinizers, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
- Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the MCA dated 8th April, 2020, 13th April, 2020, 5th May, 2020 13th January, 2021 and Circular No. 2/2022 dated 5th May, 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has made an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, and independent agency for providing necessary platform for Video Conference/OAVM and necessary technical support as may be required. Therefore, the facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by CDSL.
- The Notice calling the AGM alongwith complete Annual Report has been uploaded on the website of the Company. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Ltd. at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com, and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility and providing necessary platform for Video Conference/OAVM) i.e. www.evotingindia.com.
- This AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020, MCA Circular No. 20/2020 dated 5th May, 2020 Circular No. 2/2021 dated 13th January, 2021 and MCA Circular No. 2/2022 dated 5th May, 2022.
- The recorded transcript of the forthcoming AGM shall also

be made available on the website of the Company - <http://kritiindustries.com/> as soon as possible after the Meeting is over.

9. In compliance with the aforesaid MCA Circulars dated 5th May, 2020 and SEBI Circular dated May 12, 2020 followed by May 13, 2022, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website - <http://kritiindustries.com>, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com, and on the website of CDSL <https://www.evotingindia.com>. However, if any specific request received from the members for demanding of the physical copy of the Annual Report will be provided by the company but subject to time taken by the courier and Postal Department looking to the Covid-19.
10. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
11. Pursuant to Finance Act, 2020, dividend income if any declared by the Company will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company shall be required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Ankit Consultancy Private Limited, the Share Transfer Agent (in case of shares held in physical mode) and to the concerned depositories. (in case of shares held in demat mode)

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to cs1@kritiindia.com by 11:59 p.m. IST on or before 11th August, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to cs1@kritiindia.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on or before 11th August, 2022.

12. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to special business at the meeting is annexed and forms part of the Notice.
13. Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 11th August, 2022 to Wednesday, 17th August, 2022 (both days inclusive) for the Annual General Meeting and ascertainment for entitlement of payment of dividend to the members whose names appear in the Register of members and the records of the beneficiaries of the CDSL and NSDL on the date of the Annual General Meeting.

The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date 10th August, 2022, (Wednesday).
14. CS Ishan Jain, Practicing Company Secretary (F.R.No. S2021MP802300, M. No. FCS 9978 & C.P. No. 13032) and Proprietor of M/s. Ishan Jain & Co., Company Secretaries, Indore has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
15. Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting at its email ID cs1@kritiindia.com so that the information required may be made available at the Meeting.
16. The Members are requested to:
 - a) - Intimate changes, if any, in their registered addresses immediately.
 - b) - Quote their ledger folio number in all their correspondence.
 - c) - Send their Email address to us for prompt communication and update the same with their D.P to receive softcopy of the Annual Report of the Company
17. Members are requested to notify immediately any change in their address and also intimate their active E-Mail ID to their respective Depository Participants (DPs) in case the shares are held in demat form and in respect of shares held in physical form to the Registrar and Share Transfer Agent Ankit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) having email Id investor@ankitonline.com, and compliance@ankitonline.com to receive the soft copy of all communication and notice of the meetings etc., of the Company.
18. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Board Report.
19. The Register of Directors and Key Managerial Personnel

and their shareholding, and the Register of Contracts or Arrangements in which the directors are interested, maintained under the Companies Act, 2013 will be available for inspection by the Members electronically during the 32nd AGM. Members seeking to inspect such documents can send an email to cs1@kritiindia.com.

20. Pursuant to the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), the Company is in process to transfer the equity shares in respect of which has not been claimed or encashed for 7 or more consecutive years to the Investor Education and Protection Fund Authority (IEPF) of the Central Government. The Company has sent letters to the concerning shareholders whose dividend has not been claimed/encashed for 7 or more consecutive years. The details of such shareholders are posted on the website of the Company at <http://kritiindustries.com>. Please note that the shares so transferred to the IEPF can be claimed from the IEPF Authority as per the procedure prescribed under the Rules.
21. As per SEBI Circular dated 20th April, 2018 such shareholders holding shares of the company in the physical form are required to provide details of the Income Tax Permanent Account No. and Bank Account Details to the Share Transfer Agent of the Company, Ankit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) having email investor@ankitonline.com and compliance@ankitonline.com.
22. SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their depository participants. Members holding shares in physical form are requested to submit their PAN details to the company's RTA.
23. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number ('PAN'), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,
- **For shares held in electronic form:** to their Depository Participant only and not to the Company's RTA. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its RTA provide efficient and better service to the Members.
- **For shares held in physical form:** to the Company's RTA in prescribed Form ISR-1 and other forms pursuant to SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021, as per instructions mentioned in the form. The said form can be downloaded from the Members' Reference available on the Company's website <http://kritiindustries.com> under Standard documents for Investors and is also available on the website of the RTA.
24. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz., Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. The said form can be downloaded from the Standard documents for Investors available on the Company's website <http://kritiindustries.com> and is also available on the website of the RTA. It may be noted that any service request can be processed only after the folio is KYC Compliant.
25. SEBI vide its notification dated January 24, 2022 has amended Regulation 40 of the SEBI Listing Regulations and has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
26. Due dates for transfer of unclaimed/unpaid dividends and the amount remained unclaimed which may be transferred if continuing remain unpaid and or the balance amount if claimed by the shareholders for transfer thereafter the same to IEPF are as under:

F.Y. Ended	Declaration Date	Due Date for transfer to IEPF	Amount remains unpaid/unclaimed as at 31.03.2022 (Rs.)
2015-16	11/08/2016	18/04/2023	341178.76
2016-17	12/09/2017	19/10/2024	298460.25
2017-18	31/07/2018	12/09/2025	194989.05
2018-19	14/08/2019	19/09/2026	165891.30
2019-20	08/08/2020	13/09/2027	157900.15
2020-21	07/08/2021	12/09/2028	175385.20

27. Voting through electronic means

Members are requested to carefully read the below mentioned instructions for remote e-voting before casting their vote.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- i. The voting period begins on 14th August, 2022 (Sunday) and ends on 16th August, 2022, (Tuesday). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 10th August 2022 (Wednesday) of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

v. Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on "Shareholders" module.
3. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,

- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.

PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
 - vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - ix. Click on the EVSN for the relevant Kriti Industries (India) Limited on which you choose to vote.
 - x. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - xii. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
 - xv. If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - xvi. There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
 - xvii. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
 - a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - d. The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - e. It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - f. Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs1@kritiindia.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- Instructions for Shareholders Attending The AGM Through VC/ OAVM & E-Voting During Meeting Are As Under:**
1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
 3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
 4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
 5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs1@kritiindia.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
 8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
 9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
 10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
 3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cDSLindia.com or contact at toll free no. 1800 22 55 33
All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25thFloor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cDSLindia.com or call toll free no. 1800 22 55 33.
 4. Members can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
Any person, who acquires shares of the Company and become member of the Company after mailing of the notice and holding shares as on the cut-off date i.e. 10th August, 2022 (Wednesday), may obtain the login ID and password by sending a request at investor@ankitonline.com
 5. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 10th August, 2022 (Wednesday) only shall be entitled to avail the facility of remote e-voting as well as e- voting at the AGM.
 6. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow e-voting to all those members who are present/logged in at the AGM but have not cast their votes by availing the remote e-voting facility.
 7. The Results of the voting on the resolutions along with the report of the Scrutinizer shall be declared and placed on the website of the Company - <http://kritiindustries.com> and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Ltd. and National Stock Exchange of India Limited.
 8. For any other queries relating to the shares of the Company, you may contact the Share Transfer Agents at the following address:

M/s. Ankit Consultancy Pvt. Ltd.

60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010
Tel: 0731-4281333,4065797/99
E-mail: investor@ankitonline.com

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

9. As the 32ndAGM is being held through VC, the route map is not annexed to this Notice.

DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT/CONTINUANCE OF APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name of the Director	Mr. Saurabh Singh Mehta	Mr. Hitendra Mehta
DIN	00023591	01935959
Date of Birth	29.07.1981	08.01.1967
Date of Appointment	07.02.2018	13.08.2021
Qualification	BE, MBA	BE
Expertise in specific area	Administration, Marketing & IT	Architecture, Administration and Urban Planning.
List of Outside Directorship held	Kriti Nutrients Limited, Kriti Auto & Engineering Plastics Pvt. Ltd., Sakam Trading Private Limited, Kriti Specialties Private Limited	Mangal Murti Infrareal Private Limited, Mehta And Associate Architects Pvt. Ltd. Adishakti Holdings Private Limited, Shraddhasamarpan Cropsience Pvt. Ltd.
Chairman / Member of the Committees of the Board of Directors of the Company	Chairman: -Nil Member: -1. Stakeholder Relationship Committee	Nil
No. of Equity Shares held	30423(0.06%)	Nil

Brief Resume

1. Mr. Saurabh Singh Mehta:

Mr. Saurabh Singh Mehta is a Bachelors of Engineering in Computer Science from Ohio State University and MBA in family business from S.P Jain Institute of Management & Research. In past he was involved in various sports activities at regional and Past President, Leo Club Indore and received the award of Best President and best Club leader award in district and also interested in western Music having pass grade from Associated Board of Royal School of Music, London. He has over 10 years of diverse experience in the Industry.

2. Mr. Hitendra Mehta:

Mr. Hitendra Mehta is the Founder of Mehta & Associates, one of the leading Architecture, Urban Planning and Project Management Consultancy firm in the country with over 150 specialized professionals. He is a well-known name in Indian Design, Planning and construction Industry. The operations of his firm Mehta and Associates LLP extend not only to whole of Madhya Pradesh but also in states of Gujarat, Rajasthan, Maharashtra, Chhattisgarh, Andhra Pradesh and Delhi.

Mr. Mehta has been appointed by the Government of Madhya Pradesh as –

- i) Board Member in the Governing Board of Shri Govindram Sakseria Institute of Technology and Science, (SGSITS), Indore, the most premier engineering college of Madhya Pradesh;
- ii) Member in the Review Committee for Indore Development Plan – 2021;
- iii) Member in the Review Committee for Bhumi Vikas Niyam 2012 (The statutory regulation for development control and building bylaw regulations for Madhya Pradesh);
- iv) Member in the Advisory committee for the Draft Real Estate Bill and many such other committees of State Govt. and Govt. of India;
- v) He is also a member of Executive council of Indian Institute of Engineers & many other professional bodies like Indian Geotechnical Society, Indian Structural Association, Consultancy Engineer Association of India, All India Housing Development Association, INTACH New Delhi & enjoys important position in various other professional bodies.

He has over 29 years of experience in Urban Planning, Design & Engineering, Project Management and Transaction & Advisory in sectors spanning Urban Development, Housing & Social Infrastructure, Urban Transport, Road & Highways, Industrial Townships, etc.

He has been applauded for his feats in many books, articles and erudite societies.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4:

Members are hereby informed that upon the recommendation of the Audit Committee, Board of Directors of your Company have appointed Mr. S.P.S Dangi, Cost Accountant,(Registration No. 100004), Cost Accountant, Indore as Cost Auditors of the Company for the year 2022-23 on the remuneration of Rs.35000/- , plus applicable taxes and reimbursement of out of pocket expenses at actual. The Cost Auditor has given his consent and eligibility for appointment as Cost Auditor.

As per section 148(3) read with Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders in General Meeting. Thus, the Members approval is solicited for the resolution set out in Item No. 4 of the Notice by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personal or their relatives are concerned or interested financial or otherwise in the aforesaid resolution.

Item No. 5

The Nomination and Remuneration Committee has recommended and the Board of Directors at their meeting held on August 13 , 2021 had appointed Shri Hitendra Mehta (DIN 01935959) as an Additional Director under the category of the Independent Director of the Company w.e.f. 13th August, 2021 pursuant to Section 161 of the Companies Act, 2013; subject to the approval of Members at General Meeting.

Aforesaid independent director proposed for appointment is not disqualified to act as a Director in terms of section 164 of the Act and other applicable laws and has given his consent to act as a Director. The Company has also received declaration from him stating that he meets the criteria of independence as prescribed under section 149(6) of the Act and under the SEBI (LODR) Regulations, 2015. In the opinion of the Board, he fulfills the criteria of independency and the conditions for his appointment as an

Independent Director as specified in the Companies Act, 2013 and the SEBI (LODR) Regulation, 2015 and further he is also registered under the Independent Directors Data bank maintained by IICA.

The resolution set out in Item No.5 seeks the approval of members for the appointment of Shri Hitendra Mehta (DIN 01935959)as an Independent Director of the Company for a first term of 5 (five) consecutive years w.e.f. 13thAugust, 2021 to 12th August, 2026; pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. His office shall not be liable to retire by rotation. The brief profile of Shri Hitendra Mehta (DIN 01935959)is given in the Notice of AGM with the details of the directors seeking appointment/re-appointment.

Copy of draft letter of appointment setting out the terms and conditions of the appointment is available for inspection by the members at the Registered Office and on the website of the Company.

The aforesaid director may be considered as the financially interested in the resolution to the extent of the sitting fees as may be paid to him for attending the Board/committee meeting. Except that none of the Directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Ordinary Resolution.

Copy of draft letter of appointment setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Shri Hitendra Mehta (DIN 01935959) does not hold any shares in the Company.

Item: 6

Details of the proposed RPTs between the Company and Kriti Nutrients Limited (KNL) including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

S. No.	Description	Details of proposed RPTs between the Company and Kriti Nutrients Limited (KNL)
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs	
	a. Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise).	The Company (KIIL) and Kriti Nutrients Limited (KNL) are under the control of common KMP's. KNL is engaged in the business of Manufacture and crushing of the Soya Seeds, Soyabean Refined Oils, etc. KNL is a Related Party of the Company, as on the date of this Notice (being fellow subsidiary of Kriti Industries (India) Limited)
	b. Type, material terms, monetary value and particulars of the proposed RPTs.	The Company and KNL have entered into/proposed to enter into transactions w.r.t. Transfer of Resources, purchase, sale or other services for an aggregate value not exceeding Rs. 100 Crores (Rupees One Hundred Crores).
	c. Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs.	18.36% on the basis of the proposed transaction of Rs. 100.00 Crores and the audited Consolidated turnover as on 31.03.2022.

5. Description No.	Details of proposed RPTs between the Company and Kriti Nutrients Limited (KNL)
2. Justification for the proposed RPTs.	The entered/proposed to enter related party transactions will help the KIIL for smooth functioning of the regular and day to day business transactions and w.r.t. transfer of resources it will help to maintain the liquidity levels of KIIL with low cost of interest as compared to Banks.
3 Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary.	
a. Details of the source of funds in connection with the proposed transaction.	Own share capital / Internal accruals and liquidity of the Company and KNL.
b. Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: - Nature of indebtedness, - Cost of funds and - Tenure.	Not applicable.
c. Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security.	Inter-corporate Deposits taken aggregating to Rs.100 Crores. • Interest rate: 7% p.a., subject to the provisions of Section 186 of the Companies Act, 2013 • Repayment Schedule/Tenure: On demand • Nature: Short-term • The above inter-corporate deposits are under unsecured category.
d. The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	To meet working capital requirements of KIIL.
4. Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.	KIIL is paying interest as per the provisions of Section 186 of the Companies Act, 2013 which is deemed to be at Arm Length Basis. However, the said transaction does not require any valuation or other external report.
5. Name of the Director or Key Managerial Personnel ("KMP") who is related, if any, and the nature of their relationship.	Mr. Shiv Singh Mehta, Chairman & Managing Director, Mrs. Purnima Mehta Whole-time Director and Shri Saurabh Singh Mehta, the directors of the Company also a Director on the Board of KNL. Further that and Ms. Devki Mehta being the relative of the aforesaid directors/promoters, there interest or concern or that of their relatives, are limited only to the extent of their shareholding in the Company and KNL.
6. Any other information that may be relevant.	N.A..

None of the other Directors, KMPs and/ or their respective relatives are in any way, concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 6 of the Notice.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 6 of the Notice for approval by the Members.

The Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 6 of the Notice, whether the entity is a Related Party to the particular transaction or not.

Date: 30thMay, 2022

Place: Indore

Kriti Industries (India) Limited

CIN: L25206MP1990PLC005732

Registered Office:

Mehta Chamber, 34 Siyaganj,

Indore-452007

By order of the Board

Pankaj Baheti

Company Secretary

ACS 64494

DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present their 32nd Annual Report on the affairs of the Company together with the Consolidated and Standalone Audited Financial Statements for the Financial Year ended 31st March, 2022.

FINANCIAL HIGHLIGHTS

The summarized financial highlights for the year vis-a-vis the previous year are as follows:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	54,473.96	58,916.50	54,473.96	58,916.50
Other Income	134.88	106.48	134.88	86.08
Total Revenue	54,608.84	59,022.98	54,608.84	59,002.58
Operating Expenses	50,583.27	52,057.63	50,583.27	52,057.63
EBITDA	4,025.57	6,965.35	4,025.57	6,944.95
Finance Cost	1435.14	1,096.35	1,410.29	1,096.35
Depreciation	806.82	748.89	806.82	748.89
Profit/ (Loss) before Exceptional Items and Tax	1,783.61	5,120.11	1,808.46	5,099.71
Exceptional Items (Reversal of Impairment Loss)	(116.55)	-	(116.55)	-
Tax Expenses	496.78	1,297.11	496.78	1,297.11
Profit/ (Loss) after Tax	1,403.38	3,823.00	1,428.23	3,802.60
Profit/Loss from discontinued operations	-	-	551.33	(233.15)
Tax expenses on discontinued operations	-	-	(13.67)	(36.29)
Profit/Loss after discontinued operations	1,403.38	3,823.00	1,993.23	3,605.74

OPERATIONAL PERFORMANCE

During the Financial Year ended 31st March, 2022, your Company has achieved on standalone basis an operational turnover of Rs. 54,473.96 Lakhs as compared to an operational turnover of Rs. 58,916.50 Lakhs in the previous Financial Year and the Profit after Tax is Rs. **1,403.38** Lakhs as compared to Profit after Tax of Rs. 3,823.00 Lakhs in the previous Financial Year. Sudden fall in PVC Prices during 3rd quarter had impacted market sentiments. Bearish sentiments continued only to recover around middle of fourth quarter. Thereafter product movement was good.

On a Consolidated basis, your Company has achieved an operational turnover of Rs. 54,473.96 Lakhs as compared to an operational turnover of Rs. 58,916.50 Lakhs in the previous Financial Year and Profit After Tax of Rs. 1,428.23 Lakhs as compared to Profit after Tax of Rs. 3,802.60 Lakhs in the previous Financial Year.

IMPACT OF COVID-19 PANDEMIC

The COVID-19 pandemic continued to be a global challenge creating disruption across the world. While the global economy showed early signs of recovery in the beginning of 2021, the repeated waves of COVID infection overwhelmed the Country's health infrastructure. The partial lockdown situation in the Country during most part of the financial year under review led

to rise in inflation impacting recovery especially across emerging economies and dented the pace of economic activity.

The pandemic impacted the supply chain in both positive and negative ways. On one hand, it has increased financial pressure on a lot of companies. On the other hand, it has accelerated some key transformations within the manufacturing sector viz. increasing focus on health care, new products development/ launching, contactless delivery, technology integration to drive efficiencies etc. Digital solutions and usage of technology has become essential for making supply chains more robust, driving end-to-end visibility, ensuring data security and real-time product traceability, and improving government industry collaboration as we are preparing for the future.

Despite these challenges, we also saw many tailwinds in our business. Opening of the economy spurred growth in all our end markets. Leveraging on the trends emerging from the external environment, we continue to enhance our focus on delivering value through customised integrated solutions, new customer acquisitions and operational excellence and drive technology investments to maintain profitable growth and improve scalability of our businesses in the prevalent economic scenario.

DIVIDEND

Your directors are pleased to recommend a dividend @ 20%

(Rs.0.20per equity shares of Re. 1/- each on 4,96,03,520 Equity Shares) for the Financial Year 2021-22 aggregating to Rs.99.21 Lakhs (Previous year @ 20% {Rs.0.20 per equity shares of Re. 1/- each on 4,96,03,520 Equity Shares aggregating to Rs.99.21 Lakhs}) payable to those Shareholders whose names appear in the Register of Members as on the Book Closure/Record Date i.e. 11th August, 2022.

LISTING ON NSE PLATFORM

Your Board pleased to inform and appraise that, the Company's Equity Shares are also additionally listed on NSE Platform w.e.f. 1st November, 2021 apart from BSE Platform in order to provide more liquidity to the stakeholders of the company. Trading Symbol is KRITI in the NSE.

CHANGE IN CONTROL AND NATURE OF BUSINESS

There is no change in control and nature of business activities during the period under review.

BUSINESS TRANSFER

There is no transfer of business during the period under review.

TRANSFER TO RESERVES

During the year, the Company has transferred Rs. 100.00 Lakhs to the general reserves (previous year Rs.200.00 Lakhs).

SHARE CAPITAL

The paid-up Equity Share Capital as on 31st March 2022 was Rs. 496.04 Lakhs divided into 4,96,03,520 equity shares of Re. 1/- each. There is no change in Equity Share Capital of the Company during the year, the shares of the Company are listed and regularly traded at the trading platform of BSE Ltd. and National Stock Exchange of India Limited.

DEPOSITS

Your Company has not accepted any deposit from the public falling within the ambit of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and there were no remaining unpaid or unclaimed deposits as on 31st March, 2022. Further, the Company has not accepted any deposit or loans in contravention of the provisions of the Chapter V of the Companies Act, 2013 and the Rules made there under.

S. No.	Particulars	Amt in Rs.
1.	Details of Deposits accepted during the year	Nil
2.	Deposits remaining unpaid or unclaimed at the end of the year	Nil
3.	Default in repayment of deposits	N.A.
	At the beginning of the year	
	Maximum during the year	
	At the end of the year	
4.	Deposits not in compliance with law	N.A.
5.	NCLT/ NCLAT orders w.r.t. depositors for extension of time and penalty imposed	N.A.

There are no deposit which are not in compliance with the

requirements of Chapter V of the Companies Act, 2013 and there rules made thereunder.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors liable to retire by rotation seeking re-appointment:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Saurabh Singh Mehta (DIN 00023591), Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Managing and Whole-time Directors:

Mr. Shiv Singh Mehta was re-appointed as the Chairman and Managing Director of the Company by passing Special Resolution at the 31st AGM held on 07.08.2021 for a period of 5 years w.e.f. 01.10.2021 and will also attain age of 70 years during the proposed tenure.

Mrs. Purnima Mehta was re-appointed as the Whole-time Director of the Company by passing Special Resolution at the 31st AGM held on 07.08.2021 for a period of 3 years w.e.f. 01.07.2022.

Independent Directors

During the period under review, Mr. Hitendra Mehta was appointed as additional director in category of the Independent director by the Board on 13th August, 2021 to hold office upto the date of ensuing Annual General Meeting. The Board recommends to appoint him as an Independent Director at ensuing AGM.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and the SEBI Listing Regulations. The Board considered and formed an opinion that all the independent directors meet the criteria of independence as required under the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. All the Independent Directors have also registered themselves with Independent Directors' Databank.

Other Key Managerial Personnel

During the year under review, the following changes took place in the other KMP's (Other than the Directors):

- Cessation of Office of Mr. Kamal Kanodia as the CFO of the company w.e.f. 26th Oct., 2021;
- Appointment of Mr. Rajesh Sisodia as CFO w.e.f. 26th Oct., 2021 who also resigned w.e.f. 8th Nov., 2021;
- Appointment of Mrs. Vinita Puntambekar as CFO of the Company w.e.f. 1st Feb., 2022;

Your Board would like to inform that, after closure of the Financial Year 2021-22:

1. Mr. Pankaj Baheti was appointed as Company Secretary and Compliance officer
2. Ms. Apeksha Baisakhiya, Company Secretary has ceased w.e.f. 4th April, 2022.

The following are the Key Managerial Personnel (KMPs) of the Company as on the date of the report:

- i) Mr. Shiv Singh Mehta (DIN 00023523), Chairman and Managing Director;
- ii) Mrs. Purnima Mehta (DIN 00023632), Whole-time Director;
- iii) Mrs. Vinita Puntambekar, Chief Financial Officer;
- iv) Mr. Pankaj Baheti, Company Secretary and Compliance Officer.

BOARD EVALUATION

The Board of Directors of the Company is committed to get its performance evaluated in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee (NRC) has established the process for evaluation of performance of Directors including Independent Directors, the Board and its Committees. The evaluation of performance of Executive Directors is done by Independent Directors.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria and process for performance evaluation of the Non-Executive Directors and Executive Directors to judge the knowledge to perform the role, time and level of participation, performance of duties, professional conduct, independence etc. The appointment/re-appointment/continuation of Directors on the Board shall be based on the outcome of the evaluation process.

During the year under review as per the policy for the performance evaluation, formal evaluation of performance of Directors including Independent Directors, the Board and its Committees was made by the Independent Directors and the NRC in their respective meetings and the evaluation result was placed before the Board for its information and further consideration.

MEETINGS

During the financial year four (4) Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

NOMINATION & REMUNERATION POLICY

The Company has a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and for determination of their remuneration. The salient features of Nomination and Remuneration Policy are stated in the Corporate Governance Report. The Nomination and Remuneration Policy duly approved by the Board has been posted on the Company's website <http://kritiindustries.com/>

COMMITTEES OF THE BOARD

In accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Board has the following four (4)

committees:

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Stakeholders' Relationship Committee
- iv) Corporate Social Responsibility Committee

The Company has also constituted Internal Complain Committee (ICC) under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. A detailed note on the Committees is provided in the Corporate Governance Report.

HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY

Kriti Auto & Engineering Plastics Private Limited is the Wholly Owned Subsidiary of your Company, Statement in respect of the same, as required under section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 in Form AOC-1, is attached as "Annexure A" and forms part of this report. Due to COVID-19, the subsidiary was not having sustainable business. Accordingly, the Board of Directors of the Company at their meeting held on 24th March 2021 decided to discontinue the operations of the said subsidiary. An appropriate disclosure has been given in the notes to the Financial Statements.

Further, your company is a subsidiary of Sakam Trading Private Limited which holds about 52.10% of the total paid-up capital of the company.

Your Company is not having any associate company.

RELATED PARTY TRANSACTIONS

During the period under review, all related party transactions that were entered were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, KMPs or other designated persons or their relative which may have a potential conflict with the interest of the Company at large. Since, there is no material related party transactions in the company. Therefore, the company is not required to annex Form AOC-2 with this report.

Separate disclosure as per regulation 34(3) of SEBI (LODR) Regulations, 2015 is made in the notes to the accounts attached with the financial statement, therefore not reproduced here under. The policy on Related Party Transactions duly approved by the Board has been posted on the Company's website <http://kritiindustries.com/>.

Your Board is proposing to pass an Ordinary Resolution under Regulation 23 of the SEBI (LODR) Regulations, 2015 read with section 188 of the Companies Act, 2013 for entering into transactions for transfer of resources with the related Parties.

CORPORATE SOCIAL RESPONSIBILITY

The Annual Report on CSR activities is attached as "Annexure B" and forms a part of this Report. The salient features of CSR policy are stated in aforesaid Report on CSR activities. The policy on CSR

duly approved by the Board has been posted on the Company's website <http://kritiindustries.com/>.

DISCLOSURE FOR PARTICULARS OF EMPLOYEES

The information required pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended in respect of employees of the Company forming part of Directors' Report is given in "Annexure C" to this Report. A statement of top-10 employees in terms of remuneration drawn as per rule 5(2) read with rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended may be obtained by request to the Company Secretary of the Company at cs1@kritiindia.com.

Details of employees who received remuneration in excess of Rs. One crore and Two Lakh or more per annum:

During the year, following persons has drawn remuneration in excess of Rs. 102.00 Lakhs or more per annum or Rs.8.50 Lakhs per month for part of the year. In accordance with the provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name	Smt. Purnima Mehta
Designation of Employee	Whole Time Director
Remuneration Received	Rs. 101.69 Lakhs
Nature of employment	Contractual basis
Qualification & Experience of the Employee	B.A. (Hons), PGDBM
Date of commencement of employment	01.10.1999
Age	62 Years
Past Employment Details	Nil
% of the Equity shares held by the Employee in the Company	2,97,587 Equity Shares (0.60%)
Name of Director or Manager of the Company, relative of such Employee	- Shri Shiv Singh Mehta, Chairman and Managing Director and Spouse of Employee; - Shri Saurabh Singh Mehta, Non-Executive Director and Son

During the year, none of the employees received remuneration in excess of that drawn by the Managing Director or Whole-time director except Mrs. Purnima Mehta, Whole-time Director of the company is drawing salary more than the Managing Director of the company and none of the employees hold two percent of the equity shares of the Company.

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

The information on conservation of energy, technology

absorption and foreign exchange earnings and outgo stipulated under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached as "Annexure D" and forms part of this report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of Loans, Guarantees and Investment are given in the notes to the Financial Statements. Hence no further disclosure is being given here to avoid repetition.

CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015 along with the requisite certificate from the Practicing Company Secretary of the Company confirming compliance with the conditions of the corporate governance is appended and forms a part of this report alongwith the certificate of Disqualification of Directors received from Practicing Company Secretary as the Annexure 1 and 2 of the Corporate Governance Report.

RISK MANAGEMENT

The Company has a well-defined process to ensure the risks are identified and mitigation steps are put in place. The Company's Risk Management process focus on ensuring that these risks are identified on a timely basis and reasonably addressed. The Audit Committee oversees financial risks and controls. Major risks are identified by the businesses and functions and these are systematically addressed through mitigating actions on continuing basis

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for -

- Adequate safeguards against victimization of persons who use the Vigil Mechanism; and
- Direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases.

Details of the Vigil Mechanism Policy are made available on the Company's website <http://kritiindustries.com/> and have also been provided as "Annexure E" of part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:-

- that in the preparation of the annual financial statements for the year ended 31st March 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- b) that the Directors have selected such accounting policies and applied them consistently and have made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2022 and of the profit of the Company for that period;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INTERNAL CONTROL AND THEIR ADEQUACY

The Board of Directors of the Company is responsible for ensuring that Internal Financial Controls have been established in the Company and that such controls are adequate and operating effectively. The Company has laid down certain guidelines and processes which enables implementation of appropriate internal financial controls across the organization. Such internal financial controls encompass policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information.

The Statutory Auditors in their audit report have opined that these controls are operating effectively. The Audit team develops an audit plan based on the risk profile of the business activities. The annual internal audit plan is approved by the Audit Committee, which also reviews compliance to the plan. The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls. Significant audit observations and corrective action(s) thereon are presented to the Audit Committee.

The Audit Committee reviews the reports submitted by the Internal Auditors.

The Board has implemented systems to ensure compliance of all applicable laws. These systems were effective and operative.

At every quarterly interval, the Managing Director and the Company Secretary place before the Board a certificate certifying compliance of laws and regulations as applicable to the business and operations of the Company after obtaining confirmation from all business unit and functional heads responsible for compliance of such applicable laws and regulations.

During the Financial Year, no frauds were reported by auditors in terms of section 143(12) of the Companies Act, 2013.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website on <https://kritiindustries.com/form-mgt-7/>

AUDITORS & THEIR REPORT

The shareholders at their 30th Annual General Meeting (AGM) held on 8th August, 2020 upon the recommendation of Audit Committee and Board of Directors of the company had approved the re-appointment of M/s. Rakesh Kumar & Associates, Chartered Accountants (FRN: 002150C), Indore as Statutory Auditors to hold office for a second term of 5 consecutive years from the conclusion of 30th AGM till the conclusion of 35th Annual General Meeting to be held in the year 2025 at such remuneration as may be approved by the Audit Committee and Board of Directors of the company as per the provisions of section 139 of the Companies Act, 2013, As required under Regulation 33(d) of the SEBI (LODR) Regulation, 2015, the auditor has confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditors Report and the Notes on financial statement for the year 2021-22 referred to in the Auditor's Report are self-explanatory and does not contain any qualification, reservation or adverse remark, therefore, do not call for any further comments.

COST AUDITOR

Your company is maintaining the cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013, is required to be maintained by the Company and accordingly such accounts and records are made and maintained. In pursuance of Section 148 of the Companies Act, 2013, your Directors appointed Mr. S.P.S. Dangji, Cost Accountant, (FRN 100004) Indore to conduct the Audit of the Cost Accounting records for the financial year 2021-22. The Company has filed the Cost Audit Report for the year 2020-21 to the Central Government.

The Board on the recommendation of the Audit Committee, at its meeting held on 30th May, 2022 has appointed Mr. S.P.S. Dangji as the Cost Auditors to conduct the Audit of the Cost Accounting records for the financial year 2022-23. As required under section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the shareholders. Therefore, the Board of Directors recommend the remuneration payable to Mr. S.P.S. Dangji, Cost Auditors for the financial year

2022-23 for the ratification by the Members in the ensuing Annual General Meeting.

SECRETARIAL AUDITOR

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board has appointed M/s. Ajit Jain & Co., Company Secretaries, Indore to conduct Secretarial Audit for the financial year 2021-22.

The Secretarial Audit Report for the financial year ended 31st March 2022 in Form MR-3 is attached as "Annexure F" and forms part of this Report. Report of the Secretarial Auditor does not contain any qualification, reservation or adverse remark, therefore, do not call for any comments.

Further, the Board of Directors of the Company on the recommendation of the Audit Committee, at its meeting held on 30th May, 2022 has appointed M/s. Ajit Jain & Co., Company Secretaries to conduct Secretarial Audit for the financial year 2022-23.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The details related to dividend remains unpaid-unclaimed in the Company has been given in the Corporate Governance Report attached with the annual report of the Company. The details of the nodal officer appointed by the company under the provisions of IEPF is available on the Company's website at <http://kritiindustries.com/>

An amount of Rs. 2,79,183/- in respect of unpaid/unclaimed dividend declared for the FY 2013-2014 was transferred to the Investor Education and Protection Fund Authority as well as 93,289 equity shares of face value of Rs. 1 each, in respect of unpaid/unclaimed dividend declared in FY 2013-2014, was also transferred and credited to the IEPF Authority by the Company during the year.

The investors may claim their unpaid dividend and the shares from the IEPF Authority by applying in the Form IEPF-5 and complying with the requirements as prescribed.

SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary,

trainees) are covered under this policy. There were no complaints received during the year:

PROVISION OF VOTING BY ELECTRONIC MEANS THROUGH REMOTE VOTING AND E-VOTING AT THE AGM:

Your Company is providing E-voting facility as required under section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015. The ensuing AGM will be conducted through Video Conferencing/OVAM and no physical meeting will be held and your company has made necessary arrangements with CDSL to provide facility for remote e-voting. The details regarding e-voting facility is being given with the notice of the Meeting.

GENERAL

Your Directors state that during the year under review:

- a) The Company has not issued shares (including sweat equity shares) to employees of the Company under any scheme.
- b) Neither the Managing Director nor the Whole-time Directors receive any remuneration or commission from its subsidiary.
- c) The Company has complied with the applicable Secretarial Standards under the Companies Act, 2013.
- d) The company has not filed any application or there is no application or proceeding pending against the company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review;
- e) There is no requirement to conduct the valuation by the bank and Valuation done at the time of one-time Settlement during the period under review.
- f) There are no voting rights exercise by any employee of the Company pursuant to the section 67(3) read with the Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014.

EVENT AFTER CLOSING OF FINANCIAL YEAR

There have been no material changes and commitments affecting the financial position of the Company which have occurred between financial year ended on 31st March, 2022, to which the financial statements relate and the date of this report except on April 28th 2022 Pithampur Plant faced major fire. Fire was confined to finished goods and raw material stocks, lying outside main manufacturing areas. With the outstanding efforts of committed company personnel aided by exemplary efforts of Fire department and other nearby supporting Industrial units, it was contained in time and manufacturing facilities were saved from damages. Company's manufacturing was restored same day. However, to make it fully functional it is taking little time. Company's plant and machinery are adequately insured and process of insurance claim and its settlement are in progress.

This fire disrupted company's working during peak season. It's

impact will be seen in the first quarter which is an important season. Every adversity throws new challenges. And challenges not only help us discover opportunities but also underlying own strengths. Kriti's strength is its brand equity and its dealership network. Dealership's commitment and ability to communicate importance and value of KASTA Brand. By ensuring that the best of services are delivered even in difficult situation company has further reinforced its brand in the minds of users. During this period of challenges Kriti has emerged as a more partner, it has improved its market share in the areas of its dominance inspite of a difficult season and internal constraints.

ACKNOWLEDGEMENT

Your Directors place on record, their sincere appreciation and

gratitude for all the co-operation extended by Government Agencies, Bankers, Financial Institutions, Business Associates and investors and all other stakeholders. The Directors also record their appreciation for the dedicated services rendered by all the Executive Staff and Workers of the Company at all levels in all units and for their valuable contribution in the working and growth of the Company.

For and on behalf of the Board

Shiv Singh Mehta

Chairman and Managing Director

(DIN: 00023523)

Date: 30 May, 2022

Place: Indore

ANNEXURE A**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF
SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES AS ON 31.03.2022****Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

S.No	Name of Subsidiary	Kriti Auto Engineering & Plastics Private Limited
1.	The date since when subsidiary was acquired	01/03/2007
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
4.	Paid up share capital	3,88,50,000
5.	Reserves & surplus	4,25,72,307
6.	Total assets	8,72,82,395
7.	Total Liabilities	8,72,82,395
8.	Investments	-
9.	Turnover including other income	0.00
10.	Profit/(Loss) before taxation	(0.00)
11.	Profit/(Loss) before taxation from Discontinued Operations	5,76,18,000
12.	Provision for taxation	(13,67,304)
13.	Profit/(loss) after taxation	5,89,85,304
14.	Proposed Dividend	-
15.	% of shareholding	100%
16.	Names of subsidiaries which are yet to commence operations	N.A.
17.	Names of subsidiaries which have been liquidated or sold during the year	N.A.

Part "B": Associates and Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

NOT APPLICABLE - The Company does not have any Associates and Joint Ventures as on 31st March, 2022.

As per our report of even date

M/s Rakesh Kumar and Associates

Chartered Accountants

FRN:002150C

Puneet Gupta

Partner

M.No:413168

Shiv Singh Mehta

Chairman & Managing Director

DIN: 00023523

Vinita Puntambekar

Chief Financial Officer

Place: Indore

Date: 30/05/2022

Purnima Mehta

Whole time Director

DIN: 00023632

Pankaj Baheti

Company Secretary

ANNEXURE - B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company.

The Corporate Social Responsibility Policy ("Policy") of the Company is in line with the provisions of Section 135 of the Companies Act 2013 ("Act") read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules").

The Policy lays down the guiding principles that shall be applicable to the CSR projects/ programme/activities of the Company.

The Board of Directors approved this Policy, on the basis of the recommendations of the CSR Committee.

2. Composition of CSR Committee:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shiv Singh Mehta, Chairman and Managing Director	Chairperson	1	1
2	Purnima Mehta, Whole-time Director	Member	1	1
3	Rakesh Kalra, Independent Director	Member	1	1

3. Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company at – www.kritiindustries.com

4. Details of Impact assessment of CSR projects carried out in pursuance of rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 – Not Applicable.

5. Details of the amount available for set off in pursuance of rule 7(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

S. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
	NIL	NIL	NIL

6. Average net profit of the company as per section 135(5) – Rs. 2858.79 Lakhs

7. (a)	2% of average net profit of the company as per section 135(5)	Rs. 57.18 Lakhs
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
(c)	Amount required to be set off for the financial year, if any	Nil
(d)	Total CSR obligation for the financial year (7a+7b-7c)	Rs. 57.18 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (Rs. in Lakhs)	Amount Unspent (Rs. in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
18.03	39.23	30.04.2022	-	-	-

8.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project. State. District.	Project duration.	Amount allocated for the project (Rs. in Lakhs)	Amount spent in the current financial Year (Rs. in Lakhs)	Amount transferred to Unspent CSR Account for the Section 135(6) (Rs. in Lakhs)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name Registration number.
1.	Human and Environmental Development	(iv)	Yes	M.P. Dhar	3 Years	27.00	1.47	25.53	No	Shivganga Samagra Gramvikas Parishad CSR00005985
2.	Health Care	(i)	Yes	M.P. Dhar/Indore	3 Years	3.70	-	3.70	Yes	-
3.	Promoting Education	(ii)	Yes/No	M.P. Dhar/Indore	3 Years	10.00	-	10.00	No	CSR00001898

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project. State. District.	Amount spent for the project (Rs. in Lakhs)	Mode of implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name CSR Registration number.
1.	Relief during Covid – 19	(i) Health Care	No	Madhya Pradesh Jhabua	5.00	No	Shivganga Samagra Gramvikas Parishad CSR00005985
2.	Relief during Covid – 19	(i) Health Care	Yes	Madhya Pradesh Indore	0.05	Yes	-
3.	Relief during Covid – 19 - Oxygen Concentrators	(i) Health Care	Yes	Madhya Pradesh Indore	6.71	Yes	-
4.	Promoting School Education	(ii) Promoting Education	Yes	Madhya Pradesh Indore	3.30	No	Friends of Tribals Society CSR00001898
5	Promoting Education	(ii) Promoting Education	Yes	Madhya Pradesh Indore	1.50	Yes	-
	Total				16.56		

d) Amount spent in Administrative Overheads -NIL

(e) Amount spent on Impact Assessment, if applicable – Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) –Rs. 18.03 Lakhs

(g) Excess amount for set off, if any. Rs. 00.00 Lakhs

S. No.	Particular	Amount (in Rs. Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	57.18
(ii)	Total amount spent for the Financial Year	18.03
(iii)	Excess amount spent for the financial year [(i)-(ii)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

9. (a) Details of Unspent CSR amount for the preceding three financial years: (Rs. in Lakhs)

S. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.	2018-19	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.	2019-20	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3.	2020-21	7.53	7.53	N.A.	N.A.	N.A.	N.A.
	Total	7.53	7.53	N.A.	N.A.	N.A.	NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): (Rs. in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed /Ongoing.
1.	FY31.03.2021_1	Promoting health care including preventive health care (Relief during Covid-19)	2020-21	18 Months	10.00	7.53	7.53	Completed

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – Not applicable.

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s) - NA

(b) Amount of CSR spent for creation or acquisition of capital asset - NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - The Company endeavored to ensure full utilization of the allocated CSR budget. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavour to spend the amount on CSR activities in accordance with the statutory requirements.

Date: 30/05/2022

Place: Indore

Sd/-

Shiv Singh MehtaChairman of the Committee and
Chairman and Managing Director

INFORMATION PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31STMARCH, 2022.

(A) Particulars of Employees as per [Rule-5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- (i) The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2021-22..

S. No.	Name of Director	Ratio of remuneration of each Director/ to median remuneration of employees (in times)
1	Mr. Shiv Singh Mehta	34.49
2	Mrs. Purnima Mehta	47.92

- (ii) The percentage increase in remuneration of each Executive Director, Chief Financial Officer and Company Secretary in the financial year 2021-22:

S. No.	Name of Director /KMPs	Designation	% increase in remuneration
1	Mr. Shiv Singh Mehta	Chairman and Managing Director	(72.85)
2	Mrs. Purnima Mehta	Whole Time Director	(62.29)
3	Mr. Kamal Kanodia	Chief Financial Officer ¹	40.16
4	Mrs. Vinita Puntambekar	Chief Financial Officer ²	-
4	Ms. Apeksha Baisakhiya	Company Secretary	48.80

¹Mr. Kamal Kanodia ceased w.e.f. 26.10.2021

²Mrs. Vinita Puntambekar appointed w.e.f. 01.02.2022.

- (iii) The percentage increase in the median remuneration of employees in the financial year 2021-22 was 10%.
- (iv) There were 490 permanent employees on the rolls of the Company as on 31stMarch, 2022.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

% increase in Average salary of employees other than KMPs for Financial Year 2020-21 has given in point no. (A) (iii) above.

The increase in the salary of KMPs for Financial Year 2021-22 has given in point no. (A) (ii) above. The increase in remuneration is not solely based on Company's performance but also includes various other factors like individual performance, experience, relevant expertise, skills, academic background, industry trends, economic situation and future growth prospects etc. besides Company's performance.

There were no exceptional circumstances for the increase in managerial remuneration in comparison to remuneration of other employees.

- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

ANNEXURE -D

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 AND RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. Conservation Of Energy

1) Steps taken or impact on conservation of energy:

1. Installation & commissioning of new energy efficient Moulding machines, Currently 7 Nos. New energy efficient CPVC Moulding machines ordered & will be commissioned soon.
2. Utilization of MIST Cooling tower (Energy efficient) instead of Chiller during off season production of RPVC.
3. Also utilization of Water cooled chiller of HDPE instead of more power consuming air cooled chiller in MI & Blow Moulding.
4. After commissioning & evaluating the performance of the Centralized Barrel vacuum system for Barrels of RPVC extruders, under implementation of energy efficient Centralize Vacuum system for HLVC, Mixer area & then to VST of RPVC. So further to extend the use of same (Power efficient Screw pumps) for Material conveying & replace the root blowers to reduce the power consumption & other maintenance cost.
5. Successfully completed the upgradation of RPVC Utility & upgradation of HDPE & Moulding Utility in progress. This system will regulate the load of water pumps as per water requirement & thereby optimize the power consumption.
6. After installation of LED (Power efficient) lights in HDPE, FG Godown, planning to install LED lights in yard.
7. Started replacing to replace existing old motors and pumps with energy efficient pumps and motors.
8. Installing energy efficient air compressors in Moulding to reduce power cost in process.

2) Steps taken by the company for utilizing alternate sources of energy

1. Currently Open Access (Solar Power) of 4.5 MW being utilized.
2. Also PPA signed & installation work in progress of 2.43 MW of Rooftop Solar Power on the roof of plant including New sheds of Moulding & CNC.
3. Installation of transparent roof sheets to reduce use of conventional energy and use more of sunlight.
- 3) Capital investment on energy conservation equipment: Approx. Rs. 16.40 Crores

B. Technology Absorption

1) Efforts made towards technology absorption

1. New Technology Mixer (Imported) with latest Technology Material conveying installed & commissioned. Also planned to due automation of Manual mixer to further

adapt the new technology & be competitive.

2. New Technology of Centralized Barrel vacuum system is being commissioned & running successfully. Also planned to extend the utilization of the vacuum system to material conveying.
3. Development of approx. 48 Nos. Multi cavity moulds to increase productivity & reduce the operating cost.
4. Installation & commissioning of 13 New CNC Machines with auto centering technology.
5. Replaced the Inkjet Printers by Latest Technology Laser Printers for ASTM & CPVC Pipes.
6. Also Auto tripping to trolley & online weighing system planned for Sprinkler Pipes.
7. Also planned to install online weighing system in RPVC extruders to have the weighing data collection of each & every pipes.
8. Installation of Encoder system planned on all RPVC Machines to have accurate pipe length cutting & display measurement of the same.
9. Also planned to have Central Data Console (Industry 4.0) for critical parameters of RPVC Plant with Auto SMS sent in case of deviations in parameters monitored.
10. Installation of Automatic Assembly machine for column pipes in process to reduce manual work & improve quality.
11. Commissioning of New CPVC Pipe Complete line from M/s. Theysohn in process.
12. Also ordered & planning to commission 7 Nos. of CPVC Moulding machines.
13. Planning to install online bundling machine for ASTM & CPVC Pipes.
14. Implementation / upgradation of NABL lab. With latest testing equipment.
15. Upgradation of Electrical system with installation of New 2750 KVA Transformer planned.

C. Foreign Exchange Earning & Outgo (Rs. In Lakhs)

S. No.	Particulars	FY 2021-22	FY 2020-21
1.	Foreign Exchange earned in terms of Actual Inflows	-	-
2.	Foreign Exchange spent in terms of Actual Outflows		
	• CIF Value of Import (Raw Material)	6,526.39	5,312.08
	• CIF Value of Import (Capital Goods)	169.74	-

VIGIL MECHANISM / WHISTLE BLOWER POLICY

1. PREFACE

1.1 Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

2. POLICY OBJECTIVES

2.1 The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

2.2 This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

3. SCOPE OF THE POLICY

3.1 This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

4. DEFINITIONS

4.1 "Alleged wrongful conduct" shall mean violation of law, Infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority".

4.2 "Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance guidelines of Listing Agreement and Companies Act, 2013.

4.3. "Board" means the Board of Directors of the Company.

4.4. "Company" means the Kriti Industries (India) Limited, and all its offices.

4.5. "Code" means Code of Conduct for Directors and Senior Management Executives adopted by Kriti Industries (India) Limited

4.6. "Employee" means all the present employees and whole time Directors of the Company (Whether working in India or abroad).

4.7. "Protected Disclosure" means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title "SCOPE OF THE POLICY" with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

4.8. "Subject" means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

4.9. "Vigilance and Ethics Officer" means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

4.10. "Whistle Blower" is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

5. ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES.

6.1. All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.

6.2. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as "Protected disclosure under the Whistle Blower policy". Alternatively,

the same can also be sent through email with the subject "Protected disclosure under the Whistle Blower policy". If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure.

In order to protect identity of the complainant, the Vigilance and Ethics Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name/address on the envelope nor enter into any further correspondence with the Vigilance and Ethics Officer. The Vigilance and Ethics Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

- 6.3. Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance and Ethics Officer.
- 6.4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance and Ethics Officer / Chairman of the Audit Committee as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- 6.5. All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company or to the Chairman of the Audit Committee in exceptional cases. The contact details of the Vigilance and Ethics Officer is as under:-

Name and Address –

Vigilance and Ethics Officer,
Kriti Industries (India) Limited
Brilliant Sapphire, 801-804, 8th Floor,
Plot No. 10 Scheme no 78-II, Vijay Nagar,
Indore (M.P.) 452010
Email- whistleblower@kritiindia.com

- 6.6. Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Chairman of the Audit Committee. The contact details of the Chairman, CEO and the Chairman of the Audit Committee are as under:

Name and Address of Chairman –

Shri Manoj Fadnis
Chairman Audit Committee
Kriti Industries (India) Limited
15 HIG Vijay Nagar, AB Road, Indore – 452010

- 6.7. On receipt of the protected disclosure the Vigilance and Ethics Officer / Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside

agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
 - b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - c) Whether the same Protected Disclosure was raised previously on the same subject;
 - d) Details of actions taken by Vigilance and Ethics Officer / Chairman of the Audit Committee for processing the complaint
 - e) Findings of the Audit Committee
 - f) The recommendations of the Audit Committee/ other action(s).
- 6.8 The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

7. INVESTIGATION

- 7.1. All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.
- 7.2. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.
- 7.3. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 7.4. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.
- 7.5. Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / Investigators and/or members of the Audit Committee and/ or the Whistle Blower.
- 7.6. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
- 7.7. Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 7.8. Subject(s) have a right to be informed of the outcome of the

investigations. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

- 7.9. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

8. DECISION AND REPORTING

- 8.1. If an investigation leads the Vigilance and Ethics Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.
- 8.2. The Vigilance and Ethics Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- 8.3. In case the Subject is related to the Vigilance and Ethics Officer of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.
- 8.4. If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.
- 8.5. A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance and Ethics Officer or the Chairman of the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

9. SECRECY / CONFIDENTIALITY

- 9.1. The complainant, Vigilance and Ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:
- 9.1.1. Maintain confidentiality of all matters under this Policy
- 9.1.2. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.

- 9.1.3. Not keep the papers unattended anywhere at any time

- 9.1.4. Keep the electronic mails / files under password.

10. PROTECTION

- 10.1. No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties / functions including making further Protected Disclosure. The company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- 10.2.A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- 10.3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
- 10.4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 10.5. Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company. This policy does not protect an employee

from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

11.1. The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

12. COMMUNICATION

12.1. A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the company.

13. RETENTION OF DOCUMENTS

13.1. All Protected disclosures in writing or documented along

with the results of Investigation relating thereto, shall be retained by the Company for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

14. ADMINISTRATION AND REVIEW OF THE POLICY

14.1. The Chief Financial Officer shall be responsible for the administration, interpretation, application and review of this policy. The Chief Financial Officer also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

15. AMENDMENT

15.1. The Company reserves its right to amend or modify this Policy in whole or in part, at anytime without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.

ANNEXURE F

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members

KRITI INDUSTRIES (INDIA) LIMITED

CIN: L25206MP1990PLC005732

Registered Office: Mehta Chambers,

34-Siyaganj, Indore (M.P.) – 452007

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by KRITI INDUSTRIES (INDIA) LIMITED (hereinafter called the Company) having CIN-L25206MP1990PLC005732. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents, KMPs, Directors and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by KRITI INDUSTRIES (INDIA) LIMITED for the financial year ended on March 31, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI

Act'): -

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the audit period)
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the audit period)
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the audit period)
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) Other laws are applicable specifically to the Company are as under:
 - (a) The Environment (Protection) Act, 1986;
 - (b) The Water (Prevention and Control of Pollution) Act, 1974;
 - (c) The Air (Prevention and Control of Pollution) Act, 1981;
 - (d) The Hazardous Waste (Management, Handling & Trans boundary Movement) Rules, 2008;
 - (e) Factories Act, 1948;

- (f) Industrial Dispute Act, 1947;
- (g) The Payment of Wages Act, 1936;
- (h) The Minimum Wages Act, 1948;
- (i) The Employee State Insurance Act, 1948;
- (j) The Employee Provident Fund and Miscellaneous Provision Act, 1952;
- (k) The Payment of Bonus Act, 1965;
- (l) The Payment of Gratuity Act, 1972;
- (m) The Income Tax Act, 1961;
- (n) Contract Labour (Regulation and Abolition) Act, 1970;
- (o) The Industrial Employment (Standing Orders) Act, 1946;
- (p) The Goods and Service Tax

We have also examined compliance with the applicable clause of the following:

1. Secretarial Standard issued by the Institute of Company Secretaries of India (ICSI) and applicable mandatorily.
2. Listing Obligations and Disclosure Requirements Regulations, 2015 as amended from time to time.

During the year under review, the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, standard etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there was no specific events in pursuance of the above referred laws, rules, regulations, guidelines having major bearing on the company' affairs except the listing of 49603520 equity shares of the company on National Stock Exchange of India Limited w.e.f. 1st November, 2021.

For Ajit Jain & Co.
Company Secretaries

Place: Indore
Date: 30/05/2022

CS Ajit Jain
(Proprietor)
M. No. F3933
C.P. No. 2876
UDIN:F003933D000418811
Peer Review No.767/2020
PCS Unique ID No.: S1998MP023400

This report is to be read with our letter of even date as '**Annexure 1**' forms an integral part of this report.

'Annexure -1'

To
The Members
KRITI INDUSTRIES (INDIA) LIMITED
CIN: L25206MP1990PLC005732
Registered Office: Mehta Chambers,
34-Siyaganj, Indore (M.P.) – 452007

Our report of even date is to be read along with this letter (forming part of the report)

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and whether applicable reliance have been made on the reports, certificates etc. given to the company by other professionals, competent to issue those certificates to the company.
4. Where ever required, we have obtained the Management representation and certification about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Ajit Jain & Co.
Company Secretaries

Place: Indore
Date: 30/05/2022

CS Ajit Jain
(Proprietor)
M. No. F3933
C.P. No. 2876
UDIN:F003933D000418811
Peer Review No.767/2020
PCS Unique ID No.: S1998MP023400

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Kriti Industries (India) Limited (Kriti) is committed to the adoption of best governance practices. The company's vision document spells out a direction for the policies and procedures which ensure long terms sustainability. Value creation for stakeholders is thus a continuous endeavor at Kriti.

On the same lines the Company has always followed fair business and corporate practices while dealing with the shareholders, employees, customers, creditors, lenders, all stakeholders and the society at large.

In harmony with this philosophy, the Company relentlessly strives for excellence by benchmarking itself with esteemed companies with good corporate governance. Your company is compliant with all the provisions of SEBI (LODR) Regulations, 2015.

II. THE GOVERNANCE STRUCTURE

Kriti's governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders. In line with these principles, the Company has formed three tiers of Corporate Governance structure, viz.:

- (i) The Board of Directors- The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals & targets, policies, governance

standards, reporting mechanism & accountability and decision making process to be followed.

- (ii) Committees of Directors- The company is having mandatory committees such as Audit Committee, Nomination & Remuneration Committee, CSR Committee, Stakeholders and Relationship committee etc. are focused on financial reporting, audit & internal controls, compliance issues, appointment and remuneration of Directors and Senior Management Employees and shareholders grievances and implementation and monitoring of CSR activities.
- (iii) Executive Management – The entire business including the support services are managed with clearly demarcated responsibilities and authorities at different levels.

III. BOARD OF DIRECTORS

The Board of directors of the company consists of an optimum combination of executive, non-executive and independent directors, ensure the independent functioning of the Board. The composition of the Board also complies with the provisions of the Companies Act, 2013 and the Listing Regulations. As at the end of financial year 2021-22, the Board consists of **Seven (7)** directors, out of which **Five (5)** are Non-Executive Directors including **Four (4)** are Independent Directors.

The names and categories of the- Directors on the Board, their attendance at Board Meetings during the year under review and at the last Annual General Meeting and also the number of Directorships and Committee Memberships held by them in other companies are given below:

Sr. No.	Name of Directors	Category	Total number of Board Meetings eligible to attend during the year	No. of Board Meeting Attended	Attended last AGM held on 07.08.2021	No. of Directorship in other public Companies As on 31.03.2022	No. of Memberships/ Chairmanship in Committee of Directors in all Companies		No. of shares held in the Company	Relationship of Directors Inter-se
							Chairman	Member		
1.	Mr. Shiv Singh Mehta, Chairman and Managing Director (DIN: 00023523)	Promoter Executive	4	4	Yes	3	0	3	20,67,299 (4.17%)	1) Spouse of Smt. Purnima Mehta-WTD; 2) Father of Shri Saurabh Singh Mehta-NED
2.	Mrs. Purnima Mehta, Whole Time Director (DIN: 00023632)	Promoter Executive	4	4	Yes	1	1	3	2,97,587 (0.60%)	1) Spouse of Shri Shiv Singh Mehta-CMD; 2) Mother of Shri Saurabh Singh Mehta-NED
3.	Mr. Saurabh Singh Mehta, Director (DIN: 00023591)	Promoter Non-Executive	4	4	Yes	2	0	1	30,423 (0.06%)	Son of Shri Shiv Singh Mehta, CMD and Smt. Purnima Mehta- WTD.

Sr. No.	Name of Directors	Category	Total number of Board Meetings eligible to attend during the year	No. of Board Meeting Attended	Attended last AGM held on 07.08.2021	No. of Directorship in other public Companies As on 31.03.2022	No. of Memberships/ Chairmanship in Committee of Directors in all Companies		No. of shares held in the Company	Relationship of Directors Inter-se
							Chairman	Member		
4.	Mr. Rakesh Kalra, Director (DIN: 00780354)	Independent Non-Executive	4	4	Yes	5	1	5	Nil	Not applicable
5.	CA Manoj Fadnis, Director (DIN: 01087055)	Independent Non-Executive	4	4	Yes	4	4	1	Nil	Not applicable
6.	Mr. Chandrasekharan Bhaskar, Director (DIN: 00003343)	Independent Non-Executive	4	4	Yes	3	1	1	Nil	Not applicable
7.	Mr. Hitendra Mehta, Director (DIN: 01935959)	Independent Non-Executive	3	2	NA	Nil	Nil	Nil	Nil	Not applicable

#Includes only Memberships of the Audit Committee and Stakeholders Relationship Committee.

S. No.	Name of Director	Name of other Listed entities in which person is Director	Category of Directorship
1.	Mr. Shiv Singh Mehta	Kriti Nutrients Limited	Chairman and Managing Director, Promoter, Executive
		Rajratan Global Wire Limited	Non-Executive - Independent Director
2.	Mrs. Purnima Mehta	Kriti Nutrients Limited	Non-Executive, Non Independent Director
3.	Mr. Saurabh Singh Mehta	Kriti Nutrients Limited	Whole-time Director, Promoter, Executive
4.	Mr. Rakesh Kalra	Kriti Nutrients Limited	Non-Executive - Independent Director
		Jamna Auto Industries Limited	Non-Executive - Independent Director
		Automotive Axles Limited	Non-Executive - Independent Director
5.	CA Manoj Fadnis	Kriti Nutrients Limited	Non-Executive - Independent Director
		The Federal Bank Ltd	Non-Executive - Independent and Shareholder Director
6.	Mr. Chandrasekharan Bhaskar	Kriti Nutrients Limited	Non-Executive - Independent Director
		Xpro India Limited	Managing Director, Executive

Details about Directors seeking Appointment / Reappointments at the forthcoming Annual General Meeting are given separately along with Notice convening the said Meeting.

CS Apeksha Baisakhiya was Company Secretary & Compliance Officer of the Company as well as was functioning as the Secretary of all committees. However, CS Apeksha Baisakhiya has ceased from the company w.e.f. 4th April, 2022.

During the financial year 2021-22 the Board of Directors met Four (4) times on (i) 15th May, 2021, (ii) 13th August, 2021, (iii) 26th October, 2021 and (iv) 27th January, 2022.

Skills / Expertise / Competencies of the Board of Directors:

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

1. Knowledge on Company's businesses, policies and business culture major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
2. Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company,
3. Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,
4. Financial and Management skills,
5. Technical / Professional skills and specialized knowledge in relation to Company's business.

DIRECTORS HAVING SUCH SKILL AND COMPETENCIES

Skills to be possessed by Directors	Mr. Shiv Singh Mehta	Mrs. Purnima Mehta	Mr. Saurabh Singh Mehta	Mr. Rakesh Kalra	CA Manoj Fadnis	Mr. Chandrasekharan Bhaskar	Mr. Hitendra Mehta
Knowledge on Company's businesses, policies and business culture major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Financial and Management skills.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Technical / Professional skills and specialized knowledge in relation to Company's business.	Yes	Yes	Yes	Yes	Yes	Yes	Yes

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has familiarization program for Independent Directors to provide them with an opportunity to familiarize themselves with the Company, its Management, its operations and the industry in which the Company operates. On his appointment, an Independent Director, receives a formal letter of appointment, setting out in detail the role, functions, duties and responsibilities expected of him as an Independent Director of the Company. Further the Directors of the Company are updated on changes/developments in domestic/ global corporate and industry scenario including those pertaining to statutes/ legislations and economic environment and on matters related to the Company covering its plants, products, marketing, competitors and other functions. Familiarisation Programme can be accessed at the link: <http://kritiindustries.com/policy/>

CONFIRMATION THAT IN THE OPINION OF THE BOARD, THE INDEPENDENT DIRECTOR FULFILL THE CONDITION SPECIFIED IN THIS REGULATION AND ARE INDEPENDENT OF THE MANAGEMENT:

All the Independent Directors have given disclosure as required under the Companies Act, 2013 and Listing Regulations that they

are independent of the management and the Management does hereby confirms their independency.

DETAILED REASON FOR RESIGNATION OF INDEPENDENT DIRECTOR WHO RESIGNS BEFORE THE EXPIRY OF HIS TENURE ALONG WITH THE CONFIRMATION BY SUCH DIRECTOR THAT THERE ARE NO OTHER MATERIAL REASON OTHER THAN THOSE PROVIDED:

There is no resignation of any independent Director during the Financial Year.

IV. AUDIT COMMITTEE

The Board has constituted a well-qualified Audit Committee. Majority of the members of the Committee are Independent Directors including the Chairman. All the members are financially literate and possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

The Audit Committee is in compliance with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 as applicable.

The particulars of Members of the Committee, and the number of Meetings attended by them during the year are as follows:

Sr. No.	Name of the Members	Designation in the Company	Position in the Committee	No. of Meetings Attended
1.	CA Manoj Fadnis	Independent Director	Chairman	4
2.	Mr. Rakesh Kalra	Independent Director	Member	4
3.	Mrs. Purnima Mehta	Whole-time Director	Member	4

During the year under review, the Committee met on (i) 15th May, 2021, (ii) 13th August, 2021, (iii) 26th October, 2021 and (iv) 27th January, 2022.

The Company Secretary is also functioning as the secretary to the Committee.

CA Manoj Fadnis, Chairman of the Audit Committee was present at the last Annual General Meeting to answer the shareholders queries.

The terms of reference of the Audit Committee mandated by the statutory and regulatory requirements, which are also in line with the mandate given by your Board of Directors, are:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's/ Directors' report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Review and monitor the auditor's independence and

- performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Review of information by Audit Committee

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;

3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee;
6. statement of deviations:
- a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
7. The Audit Committee is also responsible for giving guidance and directions under the SEBI (Prohibition of Insider Trading) Regulations, 2015; and
8. Utilization of loan and advances, if any.

The Audit Committee reviewed the reports of the internal auditors, the reports of the statutory auditors arising out of the quarterly, half-yearly, and annual audit of the accounts; considered significant financial issues affecting the Company and held discussions with the internal and statutory auditors and the Company Management during the year.

V. NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board of Directors in compliance with Regulation 19 of the SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013 as applicable.

The particulars of Members of the Committee, and the number of Meetings attended by them during the year are as follows:

Sr. No.	Name of the Members	Designation in the Company	Position in the Committee	No. of Meetings Attended
1.	Mr. Rakesh Kalra	Independent Director	Chairman	4
2.	CA Manoj Fadnis	Independent Director	Member	4
3.	Mr. Chandrasekharan Bhaskar	Independent Director	Member	4

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

During the year under review, the Committee met Four (4) times during the financial year on (i) 15th May, 2021, (ii) 13th August, 2021, (iii) 26th October, 2021 and (iv) 27th January, 2022.

The Company Secretary is also functioning as the secretary to the Committee.

The terms of reference of the Nomination and Remuneration Committee mandated by the statutory and regulatory requirements, which are also in line with the mandate given by your Board of Directors, are:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (1A). For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (6) recommend to the board, all remuneration, in whatever form, payable to senior management.

PERFORMANCE EVALUATION CRITERIA FOR DIRECTORS INCLUDING INDEPENDENT DIRECTORS

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria and process for performance evaluation of the Non-Executive Directors including Independent Directors and Executive Directors to judge the knowledge to perform the role, time and level of participation, performance of duties, professional conduct, independence etc. The appointment/re-appointment/continuation of Directors on the Board shall be based on the outcome of evaluation process.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration Committee has adopted a policy which, inter-alia, deals with the manner of selection of

members of the Board including Executive and Non-Executive Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. The said policy is available on the Company's Website at -<http://kritiindustries.com/policy/>.

DETAILS OF REMUNERATION PAID TO THE DIRECTORS:

The details of Remuneration to Directors during the financial year 2021-22 are as follows:

Sr. No.	Name of the Directors	Designation	Service Contract	Remuneration drawn Amount (Rs in Lakhs)		Stock Options Granted
				Salary, Allowances, Perquisites & Commission	Sitting Fees	
1.	Mr. Shiv Singh Mehta	Chairman and Managing Director	01.10.2016 to 30.09.2021 01.10.2021 to 30.09.2026*	73.20	-	-
2.	Mrs. Purnima Mehta	Whole Time Director	01.07.2019 to 30.06.2022**	101.69	0.04	-
3.	Mr. Saurabh Singh Mehta	Non Executive Director	Liable to retire by rotation	-	0.80	-
4.	Mr. Rakesh Kalra	Independent Director	01.04.2019 to 31.03.2024	-	0.84	-
5.	CA Manoj Fadnis	Independent Director	01.04.2019 to 31.03.2024	-	0.84	-
6.	Mr. Chandrasekharan Bhaskar	Independent Director	12.05.2016 to 11.05.2021 and 12.05.2021 to 11.05.2026***	-	0.80	-
7.	Mr. Hitendra Mehta	Independent Director	13.08.2021 to 12.08.2026****	-	0.40	-

*Mr. Shiv Singh Mehta was re-appointed as the Chairman and Managing Director by passing Special Resolution at the 31st AGM held on 07.08.2021 for a period of 5 years w.e.f. 01.10.2021 and will also attain age of 70 years during the proposed tenure.

** Mrs. Purnima Mehta was re-appointed as the Whole-time Director of the Company by special resolution at the 31st AGM held on 07.08.2021 for a period of 3 years w.e.f. 01.07.2022.

*** Mr. Chandrasekharan Bhaskar was re-appointed as the Independent Director for a second term of consecutive 5 years w.e.f. 12.05.2021 as a Director not liable to retire by rotation at by special resolution at the 30th AGM held on 08.08.2020.

**** Mr. Hitendra Mehta was appointed as an additional Director in the category of independent by the Board of Director w.e.f. 13.08.2021 to hold office upto the date of ensuing 32nd AGM and he is proposed to be appointed as an Independent Director for a term of 5 consecutive years upto 12.08.2026 as a Director not liable to retire by rotation.

VI. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has Stakeholders Relationship Committee. The terms of reference of the Committee are to consider and approve the transfer of shares, consolidation / split of share certificates, issue of duplicate share certificates, non-receipt of dividend, claims of shares from the IEPF Authority, non-receipt of Annual Reports and other allied matters. The said Committee is also empowered to look into and address Shareholders, Security holders and Investors Grievances in compliance with the SEBI (LODR) Regulations, 2015.

During the financial year ended 31st March, 2022, Fifteen (15) Complaints were received from shareholders and the same were redressed to the satisfaction of the shareholders and no such complaints were pending as on 31st March, 2022.

Mr. Chandrasekharan Bhaskar, Non-Executive- Independent Director, is the Chairman of the Committee. While Mr. Shiv

Singh Mehta, Chairman and Managing Director, Mrs. Purnima Mehta, Whole Time Director and Mr. Saurabh Singh Mehta, Non-Executive Director are the Members.

CS Apeksha Baisakhiya Company Secretary of the Company shall act as Compliance Officer of the Committee and the Committee has periodic interaction with the representatives of the Registrar and Transfer Agent of the Company. During the financial year ended 31st March, 2022 the Committee met on 21st June 2021, 29th July 2021, 11th August, 2021, 13th October 2021, 15th November 2021, 22nd December 2021, 18th January 2022 and 23rd February 2022 in which all the members have attended the meeting.

VII. CORPORATE SOCIAL RESPONSIBILITY

The role of CSR Committee of the Board is to review, monitor and provide strategic direction to the Company's CSR practices. The Committee seeks to guide the Company in

integrating its social and environmental objectives with its business strategies. The Committee has formulated and monitors the CSR policy and recommends to the Board the annual CSR plan comprising the CSR Budget and CSR

activities of the Company in terms of Companies Act, 2013.

The composition of the Corporate Social Responsibility Committee and the attendance of Members at the Corporate Social Responsibility Committee meetings is as below:

Sr. No.	Name of the Members	Designation in the Company	Position in the Committee	No. of Meetings Attended
1.	Mr. Shiv Singh Mehta	Managing Director	Chairman	1
2.	Mrs. Purnima Mehta	Whole-time Director	Member	1
3.	Mr. Rakesh Kalra	Independent Director	Member	1

During the year under review, Corporate Social Responsibility Committee met once i.e. on 13th August, 2021.

CS Pankaj Baheti, Company Secretary of the Company shall act as Secretary to the Committee.

The terms of reference of Corporate Social Responsibility Committee are as under:

- the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
- the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes;

- details of need and impact assessment, if any, for the projects undertaken by the company; and
- the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

VIII. INDEPENDENT DIRECTORS' MEETING

The Statutory role of Independent Directors Meeting is to review the performance of Non-Independent Directors, the Board and the Chairman of the Company and also to assess quality, content and timeliness of the flow of information between the Company Management and the Board and its Committees. Meeting of the Independent Directors was held on 26th October, 2021 to review the performance of Non-Independent Directors including the Chairman and the Board as a whole and was attended by 3 Independent Directors of the Company.

IX. GENERAL MEETINGS

The location, date and time of the General Meetings held for the last three financial years are as under:

Year	Location	Date	Type of General Meeting	Time	Special Resolutions	Special resolution through postal Ballot
2020-21	Held through VC/OAVM in which Deemed venue for the AGM was at 8th Floor, Brilliant Sapphire, Plot No. 10, PSP, IDA Scheme No. 78-II, Indore -452010 (MP)	7 th August, 2021	AGM	3:00 P.M.	Yes (2)	-
2019-20	Held through VC/OAVM in which Deemed venue for the AGM was at 8th Floor, Brilliant Sapphire, Plot No. 10, PSP, IDA Scheme No. 78-II, Indore -452010 (MP)	8 th August, 2020	AGM	3:00 P.M.	Yes (1)	-
2018-19	8th Floor, Brilliant Sapphire, Plot No. 10, PSP, IDA Scheme No. 78-II, Indore -452010 (MP)	14 th August, 2019	AGM	4:00 P.M.	Yes (4)	-

During the year under review, no extra ordinary general meeting was held as well as no resolution was passed through the Postal Ballot process.

X. MEANS OF COMMUNICATION

Effective communication of consistent, comparable, relevant and reliable information is an effective component of Corporate Governance. It is a process of sharing information, thoughts, opinion, and plans to all stakeholders which promote management-shareholder relations.

Quarterly Results: The Company's quarterly results are published in 'Business Standard and Nai Duniya' Newspapers and are displayed on its website (www.kritiindustries.com).

Website: The Company's website (www.kritiindustries.com) contains a separate dedicated section 'Investor Desk' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

Annual Report: The Annual Report containing, inter alia, Audited Annual Financial Statements (Standalone and Consolidated), Directors' Report and its annexures as required, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussions and Analysis Report forms part of the Annual Report and is displayed on the Company's website (www.kritiindustries.com).

BSE Corporate Compliance and Listing Centre (the 'Listing Centre') and NSE's Electronic Application Processing System (NEAPS)/Digital Exchange: BSE's Listing Centre and NSE's NEAPS/Digital Exchange are web-based application designed for corporate. All periodical compliance filings like financial results, shareholding pattern, corporate governance report, Annual Report, Related Party Transactions, Investors complaint, Annual Secretarial Compliance Report, etc as required under SEBI (LODR) Regulations as well as SEBI (PIT) Regulations and other requirements as may be applicable from time to time are filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized data base of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

XI. OTHER DISCLOSURES UNDER SEBI LISTING REGULATIONS

1. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of business and on an arm's length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the IND-AS has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

Weblink-<http://kritiindustries.com/policy/>

During the last three years, no non-compliance has been noticed and no penalties, strictures were imposed by stock exchange, SEBI or any statutory authority on the Company or its promoters and directors in respect of any matter related to capital market.

2. The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to give their views on the accounting policies and practices of the Company, report unethical or undesirable behavior or practices, actual and suspected fraud taking place in the Company, violations of Company's Code of Conduct or ethics policy. The reportable matters may be disclosed to the Audit Committee through the Chairman/Secretary of the Audit Committee. In exceptional cases, employees may also report directly to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.
3. Your Board affirms that, there is no such instances where the Board has not accepted any recommendation of any committee of the Board during the financial year.
4. The Company has not raised money through an issue (public issues, rights issues, preferential issues etc.) during the year under review.
5. The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2021-22 are as under:
 - a. Number of complaints filed during the financial year: NIL
 - b. Number of complaints disposed of during the financial year: NIL
 - c. Number of complaints pending as on end of the financial year: NIL
6. The Company complied with all mandatory requirements and has adopted non-mandatory requirement as per details given below:
 - A. The Board:**

The Company is having Executive Chairman.
 - B. Shareholder's Rights:**

The quarterly and half yearly results are published in the newspaper and also displayed on the website of the Company and are submitted and hosted at the portal of National Stock Exchange of India Ltd. and BSE Ltd. where the shares of the Company are listed.
 - C. Audit Qualification:**

The auditors have not qualified the financial statement of the Company. The Secretarial Auditor have not qualified his report. The Company continues to adopt best practices in order to ensure unqualified financial statements and secretarial audit report.
 - D. Reporting of Internal Auditor:**

The Internal Auditors of the Company report to the Audit Committee.

7. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: The company has paid Rs. 4.60 Lakhs to M/s Rakesh Kumar & Associates for the year ended 31st March, 2022 and the consolidated Remuneration given to the Auditors for the year 2021-22 is Rs. 5.10 Lakhs.
8. Company has also annexed a certificate from M/s Ajit Jain & Co., Company Secretaries, a Practicing company Secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority as at 31st March, 2022.
9. The company is not having any demat suspense account/ unclaimed suspense account during the year under review.
10. Secretarial Compliance Report: In compliance of the SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24A(2) of the SEBI (LODR) Regulations, 2015, the Company has engaged the services

of CS Ajit Jain (CP No. 2876), Practicing Company Secretary for providing said report. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report provided by Practicing Company Secretaries under Form MR – 3.

XII. CONFIRMATION OF COMPLIANCE

1. The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.
2. The Company has laid down Code of Conduct for the Directors and Senior Management Personnel of the Company and they have affirmed to the Board that they have adhered to the Code of Conduct during the year ended 31st March, 2022 and the declaration to that effect from Chairman and Managing Director is annexed to this report.
3. The compliance Certificate from M/s Ajit Jain & Co., Company Secretaries that the Company has complied with the conditions of Corporate Governance is annexed to the Report of the Board of Directors.
4. Matters required to be covered under Management Discussion and Analysis report are covered in the Report of the Board of Directors under relevant heads, hence not been given separately.

XIII. GENERAL SHAREHOLDER INFORMATION

1.	The Company is registered in the State of Madhya Pradesh, India with the Registrar of Companies, Gwalior. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L25206MP1990PLC005732.	
2.	Annual General Meeting Date, Time and Venue	17 th August, 2022 at 3.00 P.M. (through VC/OAVM) for which purposes deemed venue shall be at 8 th Floor, Brilliant Sapphire, Plot No. 10, PSP, IDA Scheme No. 78-II, Indore (M.P.) - 452010
3.	Book Closure Date	11 th August, 2022 to 17 th August, 2022 (Both days inclusive)
4.	Dividend Payment Date	on or after 17 th August 2022
5.	Financial Year	April 1 to March 31
6.	Financial Calendar for the Year ending	31st March, 2023

Sr. No.	Name of the Members	Tentative Date
1.	Unaudited Financial Results for the First Quarter ending 30 th June, 2022	On or Before 14 th August, 2022
2.	Unaudited Financial Results for the Second Quarter ending 30 th September, 2022	On or Before 14 th November, 2022
3.	Unaudited Financial Results for the Third Quarter ending 31 st December, 2022	On or Before 14 th February, 2023
4.	Audited Financial Results for the Fourth Quarter ending 31 st March, 2023	On or Before 30 th May, 2023
5.	Annual General Meeting for the year ending 31 st March, 2023	On or before 30 th September, 2023

1. **Listing on Stock Exchange**

National Stock Exchange of India Limited Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (E), Mumbai-400051 Symbol : KRITI	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code – 526423 ISIN - INE479D01038
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2. Annual Listing fees for the year 2022-23 have been duly paid to the above Stock Exchange and the trading of the shares being regular during the year under review.
3. Annual Custody / Issuer fee for the year 2022-23 has been paid to NSDL and CDSL.

4. Stock Market Data:

Data on the closing share prices of the Company on Stock Exchanges during the year under review is as follows:

Month/Year	Kriti		BSE Sensex		Kriti		NIFTY	
	Price (Rs.)		Price (Rs.)		Price (Rs.)		Price (Rs.)	
	High	Low	High	Low	High	Low	High	Low
Apr 2021	79.25	59.45	50,375.77	47,204.50	-	-	-	-
May 2021	81.45	65.55	52,013.22	48,028.07	-	-	-	-
June 2021	118.00	69.10	53,126.73	51,450.58	-	-	-	-
July 2021	135.00	102.55	53,290.81	51,802.73	-	-	-	-
Aug 2021	123.00	95.00	57,625.26	52,804.08	-	-	-	-
Sep 2021	158.00	115.00	60,412.32	57,263.90	-	-	-	-
Oct 2021	144.00	110.00	62,245.43	58,551.14	-	-	-	-
Nov 2021	143.70	113.00	61,036.56	56,382.93	143.95	111.00	18,210.15	16,782.40
Dec 2021	146.00	104.95	59,203.37	55,132.68	146.00	103.35	17,639.50	16,410.20
Jan 2022	139.95	96.35	61,475.15	56,409.63	139.90	97.00	18,350.95	16,836.80
Feb 2022	127.45	95.30	59,618.51	54,383.20	128.00	97.75	17,794.60	16,203.25
Mar 2022	115.85	96.95	58,890.92	52,260.82	117.00	98.25	17,559.80	15,671.45

11. Dividend History:

The Dividend declared and paid during the previous five financial years is as under:

Sr. No.	Financial Year	% of Interim Dividend	% of Final Dividend	% of Total Dividend	Dividend Amount in Lakhs
1	2020-21	-	20	20	99.21
2	2019-20	-	15	15	74.40
3	2018-19	-	15	15	74.40
4	2017-18	-	15	15	74.40
5	2016-17	-	15	15	74.41

12. Registrar & Transfer Agent:

Ankit Consultancy Pvt. Limited

Plot No. 60, Electronic Complex, Pardeshipura

Indore- 452 010 (M.P)

SEBI Reg. No. NR000000767

Tel: 0731-4065797/ 0731-4065799

E-mail: ankit4321@yahoo.com, info@ankitonline.com, support@ankitonline.com

13. Distribution of Shareholding as on 31st March, 2022:

Shares Holding of Nominal Value of Rs.	No. of Shareholders	% of Shareholding
1-1000	10397	86.60
1001-2000	820	6.83
2001-3000	275	2.29
3001-4000	192	1.60
4001-5000	67	0.56
5001-10000	137	1.14
10001-20000	48	0.40
20001-30000	17	0.14
30001-40000	18	0.15
40001-50000	7	0.06
50001-100000	7	0.06
100000 Above	21	0.17
Total	12006	100.00

14. Dematerialization of Shares:

4,85,57,040 Equity Shares i.e. 97.89% of the total Equity Shares have been dematerialized upto 31st March, 2022.

Trading in Equity Shares of the Company on Stock Exchanges is permitted only in dematerialized form as per the directions issued by the Securities and Exchange Board of India in that behalf.

15. Company has no outstanding GDR's, ADR's, Warrants or any other Convertible Instruments.

16. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not have any exposure hedged through commodity derivatives. During the year 2021-22, the company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against imports.

17. Plant Location: 13/1 Tarpura, 75-86, Sector No. 2, Industrial Area, Pithampur, Dist. Dhar (M.P)-454775.

18. Address for Investor Correspondence:**Registered Office:**

Kriti Industries (India) Limited
34, Mehta Chambers, Siyagunj
Indore 452007 (M.P.)
Tel: 0731-2540963
Email: cs1@kritiindia.com

Corporate Support Centre:

Kriti Industries (India) Limited
Brilliant Sapphire, 801-804, 8th Floor
Plot No. 10, Sch No.78-II, Vijay Nagar, Indore – 452010 (M.P)
Tel: 0731-2719100
Email: cs1@kritiindia.com

Declaration Regarding Compliance with the Company's Code of Conduct pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As required by Regulation 26 (3), Regulation 34(3) read with Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Directors and Senior Management of the Company have confirmed compliance with the Code of Conduct as adopted by the Company.

Place: Indore
Date: 30.05.2022

(Shiv Singh Mehta)
Chairman and Managing Director
DIN : 00053523

ANNEXURE-1

Corporate Governance Certificate

To,
The Members of
KRITI INDUSTRIES (INDIA) LIMITED
CIN L25206MP1990PLC005732
Registered Office: Mehta Chambers,
34-Siyaganj, Indore (M.P.) – 452007

1. I, Ajit Jain, Proprietor at Ajit Jain & Co., Practicing Company Secretaries, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Our Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books, papers, minutes books, forms, returns and other relevant records and documents maintained by the company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2022.
6. We 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.
7. The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For Ajit Jain &Co.
Company Secretaries

CS Ajit Jain
(Proprietor)
M.No: 3933
C.P. No: 2876

UDIN number: F003933D000419205
Peer Review Certificate No. 767/2020
PCS Unique ID No.: S1998MP023400

Place: Indore
Date: 30/05/2022

ANNEXURE-2

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Kriti Industries (India) Limited,
CIN: L25206MP1990PLC005732
Mehta-Chambers 34, Siyaganj, Indore MP-452007.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kriti Industries (India) Limited, having CIN L25206MP1990PLC005732 and having registered office at Mehta-Chambers 34, Siyaganj, Indore MP-452007 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN/PANs	Date of appointment in Company
1.	Shiv Singh Mehta	00023523	01/10/2010
2.	Saurabh Singh Mehta	00023591	07/02/2018
3.	Purnima Mehta	00023632	01/10/1999
4.	Rakesh Kalra	00780354	24/06/2006
5.	Manoj Fadnis	01087055	24/06/2006
6.	Chandrasekharan Bhaskar	00003343	12/05/2016
7.	Hitendra Mehta	01935959	13/08/2021

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Ajit Jain & Co.
Company Secretaries

CS Ajit Jain
(Proprietor)

M.No: 3933

C.P. No: 2876

UDIN: F003933D000419095

Peer Review Certificate No. 767/2020

PCS Unique ID No.: S1998MP023400

Place: Indore

Date: 30/05/2022

Financial Statements

Independent Auditor's Report

To,
The Members,
Kriti Industries (India) Limited

Report on Audit of the Standalone Financial Statements:

Opinion:

We have audited the accompanying standalone financial statements of KRITI INDUSTRIES (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit of the Standalone financial statements

in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our Responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on our standalone financial statements.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor's Response
1.	<p>Evaluation of Tax Positions</p> <p>[Note No. 31(c) read with Note No. 2.2.10 to the standalone financial statements]:</p> <p>The Company's operations are subject to periodic challenges by local tax authorities on a range of tax matters arising in the normal course of business including direct tax and indirect tax matters. Estimating the income tax expense also requires the Company to determine the probability of tax authorities accepting a particular tax treatment for potential tax exposures. These involve significant judgment by the Company to determine the possible outcome of the tax litigations and potential tax exposures, consequently having an impact on related accounting and disclosures in the standalone financial statements.</p>	<p>Our audit approach involved: -</p> <ul style="list-style-type: none"> a) Obtaining an understanding of the current status of the key tax litigations/tax assessments; b) Evaluating the Company's assessment of the possible outcome of tax litigations, potential tax exposures and related disclosures in the standalone financial statements. c) Examining communication received from various Tax Authorities/Judicial forums and consultations carried out by the Company including with external tax experts for key tax litigations and follow up action thereon; d) Evaluating the status of the recent tax assessments / inquiries, results of previous tax assessments, legal precedence / judicial rulings and changes in the tax environment. This is performed to assess and challenge the Company's estimate of the possible outcome of key tax litigations. e) Evaluating the merit of the subject matter under consideration with reference to available independent legal / tax advice; and f) Review and analysis of evaluation of the contentions of the Company through discussions, collection of details of the subject matter under consideration and the likely outcome.
	We determined the above areas as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters.	

Information Other than the Standalone Financial Statements and Auditor's Report Thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information ("the Other Information"), but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements :

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis for accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
 - 2) (A) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure – B". Our report expresses an unmodified opinion on the adequacy and the operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 31(c) to the standalone Ind AS financial statements.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There was no delay in transferring the amount, required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2022.
 - d) (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47 (vii) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 47 (viii) to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including

foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The final dividend paid by the Company during the current year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend. As stated in Note 44 to the financial statements, the Board of Directors of the Company have proposed final dividend for

the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- (C) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

FOR RAKESH KUMAR & ASSOCIATES

Chartered Accountants
Firm Reg. No.: 002150C

CA. PUNEET GUPTA

Partner
Membership No.: 413168

UDIN : 22413168AJXLEH1671

Place : Indore
Date : 30th May 2022

“Annexure A” to the Auditor’s Report

The Annexure referred to in paragraph 1 under “Report on other Legal and Regulatory Requirements” of our Independent Auditor’s Report of even date on the standalone Ind AS financial statements to the members of **Kriti Industries (India) Limited** for the year ended 31st March 2022, we further report that:

- (i) (a) (A) As informed to us, the Company has maintained proper records, on yearly basis, showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) As informed to us, the Company has maintained proper records showing full particulars of Intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the management of the Company has done physical verification of certain property, plant and equipment at reasonable intervals in accordance with programme of verification, which in our opinion is reasonable, having regard to the size of the company and nature of its assets and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) As informed to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No material discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, no material discrepancy has been noticed in the quarterly returns or statements filed by the Company with such banks when compared with the books of accounts of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided any guarantee or security or granted any loans or advances in the nature of loans to companies, firms, limited liability partnerships or any other parties during the year.
 - (a) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not provided loans or advances in the nature of loans, or guarantee or security to any other entity during the year. Accordingly, clause 3(iii)(a)(A) and 3(iii)(a)(B) is not applicable to the company.
 - (b) - (f) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the company has not made any investment, provided the guarantees or security or loans or advances in the nature of loans during the year. Accordingly, clause 3(iii)(b) to 3(iii)(f) is not applicable to the company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security or made any investments during the year as specified under Section 185 and Section 186 of the Companies Act, 2013. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has neither accepted nor invited any deposits or amounts which are deemed to be deposits from the public within the provision of Section 73 to 76 of Companies Act, 2013 and rules made there under. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of the cost records under section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made detailed examinations of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanation given to us, the Company has been generally regular in depositing undisputed dues relating to Goods and Services Tax, Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Duties of Customs, Duties of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with appropriate authorities. There are no undisputed statutory dues payable which are outstanding as at March 31, 2022 for a period of more than 6 months from the date they became payable.

(b) According to the information and explanations given to us, following dues of Income Tax, Sales Tax, Duties of Excise or Value Added Tax has not been deposited on account of any dispute: –

Name of the Statute (Nature of the Dues)	Forum where Matter is pending	Period to which the amounts relates	Amount (in Rs.)
Central Sales Tax	High Court of MP	2005-06	7238189
Central Sales Tax	High Court of MP	2006-07	1335795
Entry Tax	High Court of MP	2007-08	1355843
Excise Duty	Commissioner (Appeals) , Bhopal	2012-13	1561842
Excise Duty	Commissioner (Appeals) , Bhopal	2013-14	2975540
Excise Duty	CESTAT , New Delhi	2011-12 & 2012-13	6910490
Excise Duty	CESTAT , New Delhi	2013-14	1903223
Excise Duty	CESTAT , New Delhi	2016-17	506346
Central Sales Tax	Deputy Commissioner, Indore	2014-15	269734
Central Sales Tax	Additional Commissioner, Indore	2015-16	846438
Income Tax	Asst. Director, IT, CPC , Bengaluru	2019-20	94170

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) (a) According to information and explanations given to us by the management and according to the records of the company examined by us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings from any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans availed by the company were , prima-facie, applied by the company for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended 31st March 2022.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended 31st March 2022.
- (x) (a) To the best of our knowledge and belief and according to the information and explanations given to us and based on documents provided to us, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanation given to us, the Company has not made any preferential allotment/private placement of shares or fully or partly convertible debenture during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books of accounts and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on the company by its officers/employees or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (c) According to the information and explanations given to us, no whistle blower complaints have been received by the Company during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause 3(xii)(a) to 3(xii)(c) of the Order is not applicable.
- (xiii) According to the information and explanation given to us, and based on document provided to us, all transactions with the related parties are in compliance with section 177 & section 188 of the Companies Act 2013 where applicable and details of such transactions to the extent required has been disclosed in the standalone Ind AS financial statements as required by applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) – (b) In our opinion and according to explanations given to us, the company is not required to get registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of the documents produced before us, the company in respect of ongoing projects, has transferred the unspent amount to a special account in compliance with the provisions of sub-section (6) of the Section 135 of the Companies Act.

FOR RAKESH KUMAR & ASSOCIATES

Chartered Accountants
Firm Reg. No.: 002150C

CA. PUNEET GUPTA

Partner
Membership No.: 413168

UDIN : 22413168AJXLEH1671

Place : Indore
Date : 30th May 2022

“Annexure B” to the Auditor’s Report

The Annexure referred to in paragraph 2(A)(f) under “Report on other Legal and Regulatory Requirements” of our Independent Auditor’s Report of even date on the standalone Ind AS financial statements to the members of Kriti Industries (India) Limited for the year ended 31st March 2022.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to standalone financial statements of Kriti Industries (India) Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and Standards on Auditing, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining

an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company’s internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to standalone financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the

internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note

on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR RAKESH KUMAR & ASSOCIATES

Chartered Accountants
Firm Reg. No.: 002150C

CA. PUNEET GUPTA

Partner
Membership No.: 413168

UDIN : 22413168AJXLEH1671

Place : Indore
Date : 30th May 2022

KRITI INDUSTRIES (INDIA) LIMITED

CIN: L25206MP1990PLC005732

Balance Sheet as on 31.03.2022

(₹ in Lakhs)

Particulars	Note No	As at 31.03.2022	As at 31.03.2021
ASSETS			
(1) NON CURRENT ASSETS			
(a) Property, Plant and Equipment	3	10,581.25	10,031.96
(b) Capital work-in-progress		1,371.41	946.16
(c) Other Intangible assets	4	8.98	14.20
(d) Financial Assets			
(i) Investments	5	778.15	661.60
(ii) Loans	6	-	-
(iii) Other financial assets	7	207.78	298.84
Total Non Current Assets		12,947.57	11,952.76
(2) Current assets			
(a) Inventories	8	20,656.42	16,168.00
(b) Financial Assets			
(i) Trade receivables	9	3,242.58	3,750.20
(ii) Cash and cash equivalents	10	0.73	1.27
(iii) Bank balances other than (ii) above	11	1,347.63	1,550.94
(iv) Loans	12	224.44	23.76
(c) Income tax assets (Net)	24	105.81	-
(d) Other current assets	13	3,083.20	2,136.26
Sub Total		28,660.81	23,630.43
(3) Non current assets held for sale		24.79	-
Total Current Assets		28,685.60	23,630.43
Total Assets		41,633.17	35,583.19
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	14	496.04	496.04
(b) Other Equity	15	14,879.49	13,637.20
Total Equity		15,375.53	14,133.24
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	1,960.49	2,604.99
(ii) Lease Liability		287.60	304.25
(b) Deferred tax liabilities (Net)	17	1,016.40	1,005.29
(c) Other non-current liabilities	18	318.27	277.55
(d) Provisions	23	22.97	-
Total non current Liabilities		3,605.73	4,192.08
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	8,438.92	5,171.88
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note No.33)	20	260.27	281.02
(b) Total outstanding dues of creditors other than micro and small enterprises	20	12,463.35	10,222.57
(iii) Others	21	13.34	14.09
(c) Other current liabilities	22	1,117.59	1,349.35
(d) Provisions	23	183.44	161.11
(e) Current tax liabilities (Net of Adv Tax & TDS)	24	-	57.85
Current Liabilities		22,476.91	17,257.87
(3) Advances received against assets held for sale	24a	175.00	-
Total Equity and Liabilities		41,633.17	35,583.19

Significant accounting policies & Notes to the accounts 1 -48
As per our Report of even date attached
For Rakesh Kumar & Associates

Chartered Accountants

F.R.N. 002150C

Puneet Gupta

Partner

M.No. 413168

UDIN: 22413168AJXLEH1671

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

For and on behalf of the Board of Directors

Purnima Mehta

Executive Director

DIN 00023632

Vinita Puntambekar

Chief Financial officer

Pankaj Baheti

Company Secretary

M.No. A64494

Place: Indore

 Date:- 30th May'2022

KRITI INDUSTRIES (INDIA) LIMITED

CIN: L25206MP1990PLC005732

Statement of Profit & Loss for the period ended 31.03.2022

(₹in Lakhs)

Particulars	Note No	For the year ended 31.03.2022	For the year ended 31.03.2022
REVENUE			
Revenue From Operations	25	54,473.96	58,916.50
Other Income	26	134.88	106.48
Total Income		54,608.84	59,022.98
EXPENSES			
Cost of materials consumed		46,686.95	46,767.76
Changes in inventories of finished goods, Stock-in-Trade and Work-in-Progress		(2,738.21)	(2,179.12)
Employee benefits expenses	27	2,323.95	2,636.93
Finance costs	28	1,435.14	1,096.35
Depreciation and amortization expenses	3-4	806.82	748.89
Other expenses	29	4,310.58	4,832.06
Total Expenses		52,825.23	53,902.87
Profit/(loss) before exceptional items and tax		1,783.61	5,120.11
Exceptional Items (Impairment Loss)		(116.55)	-
Profit/(loss) before tax		1,900.16	5,120.11
Tax expense:			
(1) Current tax		470.13	1,265.20
(2) Deferred tax		11.11	31.91
(3) Earlier Period Tax		15.54	-
Total Tax Expenses		496.78	1,297.11
Net Profit/(Loss) for the period from continuing operations		1,403.38	3,823.00
Profit/(Loss) for the period from discontinued operations		-	-
Tax expense:			
(i) Current tax		-	-
(ii) Deferred tax		-	-
Net Profit/(Loss) for the period from discontinued operations		-	-
Net Profit/(Loss) for the period.		1,403.38	3,823.00
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		(16.42)	7.59
Total Other Comprehensive Income		(16.42)	7.59
Total Comprehensive Income for the period		1,386.96	3,830.59
Earnings per equity share			
(1) Basic		2.83	7.71
(2) Diluted		2.83	7.71

Significant accounting policies & Notes to the accounts 1 -48

As per our Report of even date attached

For Rakesh Kumar & Associates

Chartered Accountants

F.R.N. 002150C

For and on behalf of the Board of Directors

Puneet Gupta

Partner

M.No. 413168

UDIN: 22413168AJXLEH1671

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

Purnima Mehta

Executive Director

DIN 00023632

Vinita Puntambekar

Chief Financial officer

Pankaj Baheti

Company Secretary

M.No. A64494

Place: Indore

Date:- 30th May'2022

Cash Flow Statement as on 31.03.2022

(₹in Lakhs)

Particulars	Year Ended 31.3.2022		Year Ended 31.03.2021	
	Amount	Amount	Amount	Amount
Cash Flow From Operating Activities				
Net Profit before Tax		1,900.17		5,120.13
Adjustments for :				
Depreciation	806.82		748.89	
(Profit)/ Loss on Sale of Fixed Assets	52.30		23.27	
Financial Income	(98.37)		(89.07)	
OCI Income	(16.42)		7.59	
Financial Expense	1,435.14	2,179.47	1,096.35	1,787.03
Cash Operating Profit before working capital changes		4,079.64		6,907.16
(Increase) / Decrease in Inventories	(4,488.43)		(2,807.57)	
(Increase) / Decrease in Trade Receivables	507.61		3,589.29	
(Increase) / Decrease in Deposit given	(200.68)		(99.35)	
(Increase) / Decrease in Other Current Assets	(946.93)		11.41	
(Increase) / Decrease in Loan Given	-		339.11	
(Increase) / Decrease in other Financial assets	91.06		(56.00)	
(Increase) / Decrease in Other Non Current Assets	-		-	
Increase / (Decrease) in Trade Payables	2,220.05		(3,938.72)	
Increase / (Decrease) in Other Financial Liabilities	(0.76)		(49.63)	
Increase / (Decrease) in Other Current Liabilities	(231.76)		355.86	
Increase / (Decrease) in Provisions	45.28		43.96	
Increase / (Decrease) in Other Tax Liabilities	(57.85)		45.50	
		(3,062.41)		(2,566.14)
Tax Paid		(636.96)		(1,268.28)
Net Cash From Operating Activities (A)		380.27		3,072.74
Cash Flow From Investing Activities				
Financial Income	98.37		89.07	
Sale Proceed Of Fixed Assets (Net)	(52.30)		(23.27)	
Purchase of Property, Plant & Equipment Including CWIP Net of Govt. Grant.	(1,781.36)		(1,400.01)	
Purchase of Intangible assets Including WIP	5.22		1.32	
Advance received against asset held for sale (Net of Asset)	150.21			
Investment in Fixed Deposits against margin money	203.31		(184.49)	
(Increase) / Decrease in Non Current Investment	(116.55)		-	
Net Cash Used In Investing Activities (B)		(1,493.10)		(1,517.38)

KRITI INDUSTRIES (INDIA) LIMITED

CIN: L25206MP1990PLC005732

Cash Flow Statement as on 31.03.2022

(₹in Lakhs)

Particulars	Year Ended 31.3.2022		Year Ended 31.03.2021	
	Amount	Amount	Amount	Amount
Cash Flow From Financing Activities				
Proceeds from Long Term Borrowings	-		-	
Repayment of Long Term Borrowings	(644.49)		72.93	
Net Increase / (Decrease) in Long Term Borrowings	(644.49)		72.93	
Increase / (Decrease) in Other Non Current Liability	24.07		191.48	
Increase / (Decrease) in Short Term Borrowings	3,267.06		(651.63)	
Dividend Paid on Equity Shares	(99.21)		(74.41)	
Financial Expenses	(1,435.14)		(1,096.35)	
Net Cash Used In Financing Activities (C)		1,112.29		(1,557.98)
Net Decrease In Cash and Cash Equivalents (A + B + C)		(0.54)		(2.62)
ADD :Cash and cash equivalents - Opening - 1st April		1.27		3.89
Cash and cash equivalents - Closing - 31st March, 2022		0.73		1.27

Footnote to Cash Flow Statement:**1. Components of Cash and Cash Equivalents are produced as under:**

(₹in Lakhs)

Particulars	2021-22	2020-21
Cash & Cash Equivalents		
Balances with Banks		
Current Account	0.11	0.87
FDRs	-	-
Cash on hand	0.62	0.40
Total of Cash & Cash Equivalent	0.73	1.27

Significant accounting policies & Notes to the accounts 1 -48**As per our Report of even date attached****For Rakesh Kumar & Associates**

Chartered Accountants

F.R.N. 002150C

Puneet Gupta

Partner

M.No. 413168

UDIN: 22413168AJXLEH1671

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

For and on behalf of the Board of Directors**Purnima Mehta**

Executive Director

DIN 00023632

Vinita Puntambekar

Chief Financial officer

Pankaj Baheti

Company Secretary

M.No. A64494

Place: Indore

Date:- 30th May'2022

Statement of Change in Equity for the Year ended 31st March, 2022**A. Equity Share capital**

(1) Current Reporting period					(₹in Lakhs)
Equity Share Capital	Balances as at 1 st April,2021	Changes in equity share capital during the year due to prior period item	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 st March, 2022
Paid up Capital	496.04	-	-	-	496.04

(2) Previous Reporting period					(₹in Lakhs)
Equity Share Capital	Balances as at 1 st April,2020	Changes in equity share capital during the year due to prior period item	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 st March, 2021
Paid up Capital	496.04	-	-	-	496.04

B. Other Equity

(1) Current Reporting period						(₹in Lakhs)
Particulars	Reserves and Surplus				Retained Earnings	Total
	Capital Reserve	Securities Premium	General Reserve	Share Forfeiture Account		
Balance as at 1 st April 2021	-	466.14	3,725.00	2.73	9,443.33	13,637.20
Total Comprehensive income for 2021-22	-	-	-	-	1,403.39	1,403.39
Actuarial Gain/Loss on Defined Benefit Plan recognised in Other Comprehensive Income	-	-	-	-	(16.42)	(16.42)
Dividends	-	-	-	-	(99.21)	(99.21)
Transfer of retained earning	-	-	100.00	-	(100.00)	-
Short IT Provision 20-21	-	-	-	-	(45.48)	(45.48)
Balance as at 31st March 2022	-	466.14	3,825.00	2.73	10,585.62	14,879.49

(2) Previous Reporting period						(₹in Lakhs)
Particulars	Reserves and Surplus				Retained Earnings	Total
	Capital Reserve	Securities Premium	General Reserve	Share Forfeiture Account		
Balance as at 1 st April 2020	-	466.14	3,525.00	2.73	5,890.24	9,884.11
Total Comprehensive income for 2020-21	-	-	-	-	3,823.02	3,823.02
Actuarial Gain/Loss on Defined Benefit Plan recognised in Other Comprehensive Income	-	-	-	-	7.59	7.59
Dividends	-	-	-	-	(74.43)	(74.43)
Transfer of retained earning	-	-	200.00	-	(200.00)	-
Short IT Provision 19-20	-	-	-	-	(3.09)	(3.09)
Balance as at 31st March 2021	-	466.14	3,725.00	2.73	9,443.33	13,637.20

KRITI INDUSTRIES (INDIA) LIMITED

CIN: L25206MP1990PLC005732

Statement of Change in Equity for the Year ended 31st March, 2022**Share Premium Account**

Share Premium to be used in future to pay the expenses of issuing equity , such as underwriter fees or for issuing bonus shares to shareholders.

General Reserve

General Reserve are the retained earnings of a company which are kept aside out of company's profits to meet future (known or unknown) obligations.

Retained Earnings

The Balance in the Retained Earnings represents the accumulated profit after payment of dividend, transfer to General reserve and adjustment of Acturial gains/(losses) on Defined benefit Plans.

Significant accounting policies & Notes to the accounts 1 -48**As per our Report of even date attached****For Rakesh Kumar & Associates***Chartered Accountants*

F.R.N. 002150C

Puneet Gupta*Partner*

M.No. 413168

UDIN: 22413168AJXLEH1671

Shiv Singh Mehta*Chairman and Managing Director*

DIN 00023523

For and on behalf of the Board of Directors**Purnima Mehta***Executive Director*

DIN 00023632

Vinita Puntambekar*Chief Financial officer***Pankaj Baheti***Company Secretary*

M.No. A64494

Place: Indore

Date:- 30th May'2022

Notes – 1 Significant accounting policies and notes to the accounts 31.03.2022

1. Corporate Information

Kriti Industries (India) Ltd., a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 12.03.1990 and having its Registered office in Indore (MP).

The company's shares are listed in the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). KIL manufactures premium quality piping products and solution, accessories, gas pipe, telecom ducts, submersible pipes and casing pipes.

2. Statement of Compliance of Indian Accounting Standards

These financial statements are separate financial statements of the Company (also called standalone financial statements). The Company has prepared and presented the financial statements for the year ended March 31, 2021, together with the comparative period information as at and for the year ended March 31, 2020, in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

2.1 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value:

- i. Certain financial assets and liabilities (including derivative instruments),
- ii. Defined benefit plans - plan assets

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees (INR), which is also its functional currency.

The company has consistently applied the accounting policies to all periods presented in these financial statements.

Historical cost measures provide monetary information about assets, liabilities and related income and expenses, using information derived, at least in part, from the price of the transaction or other event that gave rise to them. Unlike current value, historical cost does not reflect changes in values, except to the extent that those changes relate to impairment of an asset or a liability becoming onerous.

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.2. Summary of Significant Accounting Policies

2.2.1. Property, Plant and Equipment

- a) Property, Plant and Equipment (PPE) are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
- b) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.
- c) In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.
- d) Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work-in-Progress.
- e) Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Each part of an item of

Significant accounting policies and notes to the accounts 31.03.2022

Property, Plant & Equipment with a cost that is in relation to total cost of the Machine is depreciated separately, if its useful life is different than the life of the Machine.

- f) The depreciation for each year is recognised in the Statement of Profit & Loss unless it is included in the carrying amount of another asset.
- g) Based on the technical evaluation, the management believes that the useful life of Dies and Moulds is 6 years.
- h) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- i) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset
- j) Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.
- k) Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

2.2.2. Leases.

- a) The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.
- b) The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.
- c) For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.
- d) Lessors will continue to classify all leases under same classification principles and distinguish them between two types of leases i.e. Finance Lease and Operating Lease.

2.2.3. Intangible assets

- a) Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization /depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.
- b) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.
- c) Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use.
- d) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.
- e) The amortisation period and the amortisation method for intangible asset with a finite useful life are reviewed at each financial year end. If the expected useful of such asset is different from the previous estimates, the changes are accounted for as change in an accounting estimate.

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- f) Intangible assets which are finite are amortized on a straight-line basis over their estimated useful lives. The residual value of such intangible assets is assumed to be zero. An intangible asset with an indefinite useful life is tested for impairment by comparing its recoverable amount with its carrying amount (a) annually and (b) whenever there is an indication that the intangible asset may be impaired.

2.2.4. Capital Work in Progress

- a) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprise purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- b) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under "Capital works in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.
- c) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under "Capital work in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment". Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

2.2.5. Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

2.2.6. Finance Cost

- a) Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.
- b) Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
- c) All other borrowing costs are expensed in the period in which they occur.

2.2.7. Inventories

- a) Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads, net of recoverable taxes incurred in bringing them to their respective present location and condition.
- b) Cost of Inventory of raw materials, stores and spares, packing materials, trading and other products are determined using the First-In, First-Out (FIFO) basis on moving average prices.

2.2.8. Provisions, Contingent Liabilities and Contingent Assets and Commitments

- a) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.
- b) If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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- c) Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.
- d) Contingent assets are not recognized but are disclosed in the financial statements when inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.2.9. Employee Benefits Expense

Short Term Employee Benefits

- a. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

- b. A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

- c. The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- d. The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.
- e. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees.
- f. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.
- g. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

2.2.10. Income Taxes

- a. The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax

- b. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.
- c. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

- d. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.
- e. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.
- f. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Significant accounting policies and notes to the accounts 31.03.2022

2.2.11. Foreign currencies transactions and translation

- a. Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of profit and loss account of the year.
- b. Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the closing exchange rate/ forward contract booked (if any) and the resultant exchange differences are recognized in the Statement of profit and loss account.
- c. Realized gain or loss on cancellation of forward exchange contract is recognized in the Statement of Profit and Loss for the year.
- d. Gain/ Loss on exchange difference on pending forward exchange contract which are yet to be executed are measured on the basis of difference between spot rate at year end and with forward contract exchange rate (premium adjusted) of respective date through "Designated Cash Flow Hedge Reserve".

2.2.12. Revenue recognition

i. Sale of Goods

- a. Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.
- b. Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.
- c. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.
- d. Revenue from operations includes sale of goods, services and adjusted for discounts (net), and gain/ loss on corresponding hedge contracts.

ii. Interest income

Interest income from a financial asset is recognised using effective interest rate (EIR) method.

iii. Dividends

Revenue is recognised when the Company's right to receive the payment has been established, which is generally when shareholders approve the dividend.

iv. Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted to the extent that there is no uncertainty in receiving the claims.

v. Government Grants

Government grants, including non- monetary grants at fair value, are recognized when there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the government grant related to asset is presented by deducting the grant in arriving at the carrying amount of the asset. (See note 45).

vi. Other Operating Income

Export incentives receivable are accounted for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

vii. Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (o) Financial instruments – initial recognition and subsequent measurement.

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viii. Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognised as an expense in the period in which related revenue is recognised.

2.2.13. Financial instruments

I. Financial Assets

a. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

b. Subsequent measurement

i. Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

c. Investment in subsidiaries, Associates and Joint Ventures

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

d. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

e. Impairment of financial assets

- i. In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through Statement of profit and loss (FVTPL).
- ii. Expected credit losses are measured through a loss allowance at an amount equal to:
 - The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
 - Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)
- iii. For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analyzed.
- iv. For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

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II. Financial liabilities

a. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

b. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

III. Derivative financial instruments and Hedge Accounting

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps, forwards & options and commodity contracts to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

IV. Hedge Accounting

Hedges that meet the criteria for hedge accounting are accounted for as follows:

(a) Cash flow hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

(b) Fair Value Hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

V. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

VI. Impairment of non-financial assets - property, plant and equipment and intangible assets

- a) The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent

Significant accounting policies and notes to the accounts 31.03.2022

of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

- b) An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.
- c) The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.2.14. Operating Cycle

- a. The Company presents assets and liabilities in the balance sheet based on current / non-current classification based on operating cycle.

An asset is treated as current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

- b. **A liability is current when:**

- i. It is expected to be settled in normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The company has identified twelve months as its operating cycle.

2.2.15. Earnings Per Share

- a. Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.
- b. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.2.16. Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.2.17. Statement of Cash Flows

- a. **Cash and Cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

- b. Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the Indian Accounting Standard -7 'Statement of Cash Flow'.

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2.3. Critical accounting Judgment and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The Management has considered the possible effect of Global Pandemic COVID-19 while preparing the financial statements. Refer NoteNo-44

2.3.1. Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

2.3.2. Recoverability of trade receivable

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counter party, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

2.3.3. Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

2.3.4. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

2.3.5. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.3.6 Recent pronouncements:

Ministry of Corporate Affairs (MCA) notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide Notification dated 23 March 2022. Following amendments and annual improvements to Ind AS are applicable from 1 April 2022.

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements

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Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note No. -3-4 Property, Plant And Equipment (2021-22)

(₹in Lakhs)

Note	Particulars	Gross Block				DEPRECIATION				Net Block	
		01.04.2021	Addition	Deduction	Total	01.04.2021	For the Year	Written back	Total	31.03.2022	31.03.2021
3	Tangible Assets										
3.1	Land	-	-	-	-	-	-	-	-	-	-
3.1.1	Free hold Land	350.98	-	24.79	326.19	-	-	-	-	326.19	350.98
3.1.2	Lease hold Land	36.66	-	-	36.66	1.94	0.97	-	2.91	33.75	34.72
3.2	Buildings	2,396.95	303.87	41.00	2,659.82	367.11	109.67	-	476.78	2,183.04	2,029.83
3.3	Plant & Machinery	9,737.57	1,435.55	387.43	10,785.69	2,469.83	634.32	36.45	3,067.70	7,717.99	7,267.74
3.4	Furniture	58.28	0.58	-	58.86	20.33	5.28	-	25.61	33.25	37.95
3.5	Vehicles	24.35	-	-	24.35	20.58	2.83	-	23.41	0.94	3.77
3.6	Office Equipment	143.67	27.65	-	171.32	104.59	16.07	-	120.66	50.66	39.07
3.7	Right-of-Use Asset:	-	-	-	-	-	-	-	-	-	-
3.7.1	Office Building	324.72	-	-	324.72	56.83	32.46	-	89.29	235.43	267.90
	Total (3)	13,073.18	1,767.65	453.22	14,387.61	3,041.21	801.60	36.45	3,806.36	10,581.25	10,031.96
	Previous Year	12,539.58	796.88	263.30	13,073.16	2,307.55	743.41	9.75	3,041.21	10,031.96	10,232.04
4	Intangible Assets										
4.1	Computer Software	55.07	-	-	55.07	40.87	5.22	-	46.09	8.98	14.20
	Total (4)	55.07	-	-	55.07	40.87	5.22	-	46.09	8.98	14.20
	Previous Year	50.91	4.16	-	55.07	35.39	5.48	-	40.87	14.20	15.52
	Grand Total (3+4)	13,128.25	1,767.65	453.22	14,442.68	3082.08	806.82	36.45	3,852.45	10,590.23	10,046.16
	Previous Year	12,590.49	801.04	263.30	13,128.23	2,342.94	748.89	9.75	3,082.08	10,046.16	10,247.56

CWIP Ageing

(₹in Lakhs)

As at 31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,371.41	-	-	-	1,371.41
Projects temporarily suspended	-	-	-	-	-

CWIP Ageing

(₹in Lakhs)

As at 31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	946.16	-	-	-	946.16
Projects temporarily suspended	-	-	-	-	-

Note-5 Investment

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
5.1 Investment in Trust Securities		
5.1.1 National Saving Certificate	0.14	0.14
5.2 Unquoted		
Non Trade Investment in equity instruments		
5.2.1 Sahkari Audhyogik Vasahat LIMITED	0.01	0.01
(1 Share of Rs.500/-)		
5.2.2 The Cosmos Co-operative Bank Ltd.	1.00	1.00
(1000 Equity Shares of Rs. 100/- each)		
Trade Investment in equity instruments		
5.2.3 Kriti Auto Engineering & Plastic Private Limited (100% Subsidiary)	777.00	777.00
(3885000 Shares of Rs10/-each)		
Less:- Provision For Impairment Loss	-	(116.55)
	777.00	660.45
Total	778.15	661.60

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note-6 Loans

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
6.1 SECURITY DEPOSITS	-	-
6.2 Loan to wholly owned subsidiary company	-	-
Total	-	-

Note-7 Other Financial Assets

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
7.1 Security deposit	207.78	242.84
7.2 Fixed deposit with banks having maturity more than 12 months	-	56.00
Total	207.78	298.84

Note-8 Inventories

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
8.1 Raw Material	8,433.26	6,855.09
8.2 Finished Goods	11,660.74	8,922.54
8.3 Stores and Spares & others	562.42	390.37
Total	20,656.42	16,168.00

Note-9 Trade Receivables

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
9.1 Trade Receivables		
Unsecured considered good	3,242.58	3,750.20
Total	3,242.58	3,750.20
Trade receivables		
Secured, considered good - -	-	-
Unsecured, considered good	3,242.58	3,750.20
Trade Receivables which have significant increase in Credit Risk	-	-
Less: Impairment for trade receivable	-	-
Trade Receivables - credit impaired - -	-	-
Current trade receivables	3,242.58	3,750.20

(₹in Lakhs)

Particular	Outstanding for the following periods from due date of payment as on 31.3.2022						Total
	Not Due	Less Than 6 month	6 month-1 years	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables-considered good	2,152.71	257.29	124.07	129.62	111.75	245.35	3,020.79
ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables-considered good	-	-	-	-	-	221.79	221.79
v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note-9 Trade Receivables (contd.)

(₹in Lakhs)

Particular	Outstanding for the following periods from due date of payment as on 31.3.2021						Total
	Not Due	Less Than 6 month	6 month-1 years	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables-considered good	1,074.18	1,318.73	184.50	556.38	237.73	156.07	3,527.59
ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables-considered good	-	-	-	-	-	222.61	222.61
v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

Note-10 Cash And Cash Equivalents

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
10.1 Balances with Banks	0.11	0.87
10.2 Cash on hand	0.62	0.40
Total	0.73	1.27

Note-11 Other Bank Balances

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
11.1 Unpaid dividend	13.34	14.09
11.2 Fixed deposit with banks against margin money (Maturity less than 12 months)	1,334.29	1,536.85
Total	1,347.63	1,550.94

Note-12 Loans

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
12.1 Unsecured, Considered good	224.44	23.76
Advances recoverable in cash or kind or for value to be received		
Total	224.44	23.76

Note-13 Other Current Assets

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
13.1 Sundry Deposits	51.42	53.36
13.2 Other Current Assets	961.63	1,320.29
13.3 Accrued Interest/ Income	31.46	42.37
13.4 Advance to Vendor/creditors (Vendor Debit Balances)	2,038.69	720.24
Total	3,083.20	2,136.26

Note-13(A) Non Current Assets Held For Sale

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
13a.i. Non current assets held for sale	24.79	

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note No -14 Share Capital

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
14.1 AUTHORIZED		
14.1.1 80000000 Equity Shares of Re. 1/- each	800.00	800.00
14.1.2 2000000 Optional convertible Preference Shares of Rs. 10/- each	200.00	200.00
14.2 ISSUED, SUBSCRIBED AND PAID UP		
14.2.1 49603520 equity shares of Rs 1/- each fully paid up, which are issued as fully paid up		
Shares on 27.01.2010 on account of scheme of arrangement as approved by The Hon'ble High Court of M.P. Indore Bench		
14.2.2 Reconciliation of shares		
14.2.2.1 Opening Balance of 49603520 shares of Rs. 1/- each Total	496.04	496.04
14.2.2.2 Issued during the year	-	-
14.2.2.3 Closing Balance 49603520 shares of Rs. 1/- each	496.04	496.04
The company has issued only one class of shares referred to as equity shares having a par value of Rs.1 each. Holder of the equity share as referred in the records of the company as of date of the shareholder's meeting is referred to one vote in respect of each share held for all matters submitted to vote in the shareholder's meeting. The company declares and pays dividends in Indian rupees. In the event of liquidation of the company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts.		
Total	496.04	496.04
14.3 Shareholder Holding More Than 5 % Of Shares Of The Company And Its Percentage		
14.3.1 Sakam Trading Private Limited		
No. of Shares	2,58,43,673	2,58,43,673
% of Shares	52.10%	52.10%
14.3.2 Chetak Builders Private Limited		
No. of Shares	46,32,029	45,93,841
% of Shares	9.34%	9.26%

14.5 Promoter's Share holding

(₹in Lakhs)

Name of promoter	As at 31 March 2022			As at 31 March 2021		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
1) Shiv Singh Mehta	20,67,299	4.17	0.00	20,67,299	4.17	0.00
2) Purnima Mehta	2,97,587	0.60	0.00	2,97,587	0.60	0.31
3) Devki Mehta	38,736	0.08	0.01	36,736	0.07	0.00
4) Saurabh Mehta	30,423	0.06	0.00	30,423	0.06	0.00
5) Sakam Trading Private Limited	2,58,43,673	52.10	0.00	2,58,43,673	52.10	0.00
6) Chetak Builders Private Limited	46,32,029	9.34	0.00	46,32,029	9.34	0.08
Total	3,29,09,747	66.35	0.01	3,29,07,747	66.34	0.22

Pursuant to the Hon'ble High Court of M.P. order dated 1.11.2011 approving the scheme of amalgamation of promoter group companies viz Kriti Corporate Services Pvt.Ltd., Kriti Auto Accessories Private Ltd., Kasta Pipes Pvt.Ltd.and

Shipra Pipes Pvt Ltd. with Sakam Trading Pvt.Ltd., the Shareholding of the above transferor companies are vested in Sakam Trading Pvt. Ltd. Thus Sakam Trading Pvt.Ltd. becomes holding company w.e.f.27.02.12 of Kriti Industries (I) Ltd.

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note No -15 Reserves & Surplus

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
15.1 RESERVES		
15.1.1 General Reserve		
15.1.1 Opening Balance	3,725.00	3,525.00
15.1.2 Add: Transfer from P&L	100.00	200.00
15.1.3 Add: Transfer from Contingency Reserves	-	-
15.1.4 Closing Balance	3,825.00	3,725.00
15.2 SHARE PREMIUM ACCOUNT		
15.2.1 Opening Balance	466.14	466.14
15.2.2 Add: Transfer from P&L	-	-
15.2.3 Closing Balance	466.14	466.14
15.3 SHARE FOREFEITURE ACCOUNT		
15.3.1 Opening Balance	2.73	2.73
15.3.2 Add: Transfer from P&L	-	-
15.3.3 Closing Balance	2.73	2.73
15.4 SURPLUS		
Statement of Profit & Loss		
15.4.1 Opening Balance	9,418.78	5,873.26
15.4.2 Add Profit & Loss during the period	1,403.38	3,823.00
	10,822.16	9,696.26
Less:		
15.4.3 Final Dividend @ Rs.0.20 per share (PY Rs 0.15 per share)	99.21	74.41
15.4.4 Corporate Dividend Tax	-	-
15.4.5 Transferred to General Reserve	100.00	200.00
15.4.6 Short IT Provision 20-21	45.48	3.09
Balance in Surplus	10,577.47	9,418.76
15.5 OTHER COMPREHENSIVE INCOME (OCI)		
15.5.1 Opening Balance	24.57	16.98
15.5.2 Movement in OCI during the year	(16.42)	7.59
15.5.3 Closing Balance	8.15	24.57
Total	14,879.49	13,637.20

Note No -16 Financial Liabilities

16.1 TERM LOAN

(Installment due within 12 months shown in Current Liabilities)

16.1.1 SECURED

16.1.1.1 From Banks

Term of Repayment of Long Term Borrowings

(₹in Lakhs)

Particulars	31.3.2022	31.3.2021
HDFC BANK	458.33	824.99
HDFC BANK GECL	306.64	460.00
SBI GECL	195.52	320.00
Total	960.49	1,604.99
(Above loans are secured by First charge/ Mortgage on fixed assets of the company and personal guarantee of Managing Director)		
16.1.2 UNSECURED		
16.1.2.1 Loans & Advances from Related parties		
(Long Term Deposit received from Kriti Nutrients Ltd.)	1,000.00	1,000.00
Total	1,960.49	2,604.99
16.i) Lease Liability	287.60	304.25

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note No-17 Deferred Tax Liability Net

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
17.1 Deferred Tax Liability (Net)		
On account of tax effects on timing difference arising due to difference in Depreciation	1,016.40	1,005.29
Total	1,016.40	1,005.29

Note No -18 Other Non Current Liabilities

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
18.1 Other Loans and advances		
(Security Deposit received from dealers)	318.27	277.55
Total	318.27	277.55

Note No -19 Short Term Borrowings

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
19.1 Loans repayable on Demand		
19.1.1 SECURED		
From banks	2,654.70	3,483.95
(Secured by hypothecation of finished goods, Raw material, Stock in process, store and spares, sundry debtors, export bills, receivables and second charge on fixed assets of the company and personal gurantee of Managing director)		
21.1 Current maturities of Long term debt	626.72	708.40
19.1.2 UNSECURED		
19.1.2.1 From banks	1,500.00	-
19.1.2.2 From others	-	-
19.1.2.3 Loans & Advances from Related parties	3,657.50	979.53
Total	8,438.92	5,171.88

Note No -20 Trade Payables

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
20.1 Trade Payables		
(a) Total outstanding dues of micro enterprises and small enterprises	260.27	281.02
(b) Total outstanding dues of creditors other than micro and small enterprises	12,463.35	10,222.57
Total	12,723.62	10,503.59

(₹in Lakhs)

Particular	Outstanding for the following periods from due date of payment as on 31.3.2022					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	260.27	-	-	-	-	260.27
(ii) Others	11,178.99	1,257.35	0.64	3.94	22.43	12,463.35
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note No -20 Trade Payables (contd.)

(₹in Lakhs)

Particular	Outstanding for the following periods from due date of payment as on 31.3.2021					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	281.02	-	-	-	-	281.02
(ii) Others	9,376.17	773.13	11.93	10.56	50.78	10,222.57
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

Note No -21 Others

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
21.1 Unpaid dividends	13.34	14.09
Total	13.34	14.09

Note No -22 Other Current Liabilities

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
22.1 Other Current Liabilities	795.64	1,120.33
22.2 Statutory Liabilities	77.26	74.09
22.3 Employee Payable	244.68	154.93
Total	1,117.58	1,349.35

Note No -23 Provisions

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
23.1 Provision for Employees Benefits	122.31	103.51
23.2 Provision for Doubtful debts	61.13	57.60
23.3 Provision for Employees Benefits (Long Term)	22.97	-
Total	206.41	161.11

Note No -24 Current Tax Asset/Liabilities

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
24.1 Provision of Income Tax (Less:Adv Tax & TDS)	105.81	57.85
Total	105.81	57.85

Note No -24 (A) Other Advances Received Against Assets Held For Sale

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
24.a.i Advance received from sales of assets	175.00	-

Note-25 Revenue From Operations

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
25.1 Sale of Products	54,442.44	58,886.73
25.2 Other operating revenues	31.52	29.77
Total	54,473.96	58,916.50

Note-26 Other Income

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
26.1 Interest Income	98.37	89.07
26.2 Net Gain on foreign currency transactions	-	-
26.3 Other Non-operating Income	36.51	17.41
Total	134.88	106.48

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note-27 Employee Benefits Expenses

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
27.1 Salaries & Wages	1,869.74	1,836.24
27.2 Contribution to provident and other fund	135.25	134.00
27.3 Staff Welfare Expenses	144.07	114.42
27.4 Director Remuneration	161.93	539.31
27.5 P.F on Director Remuneration	12.96	12.96
Total	2,323.95	2,636.93

Note-28 Financial Cost

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
28.1 Interest Expenses	1,149.22	881.11
28.2 Other Borrowing Cost	285.92	215.24
Total	1,435.14	1,096.35

Note-29 Other Expenses

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
(I)		
29.1 Stores and Spares Consumed	282.52	239.74
29.2 Power Charges	1,423.44	1,580.96
29.3 Freight & Cartage	508.16	479.04
29.4 Repairs & Maintenance	98.49	89.65
29.5 Insurance Charges	76.31	64.31
29.6 Water Charges	35.65	37.11
29.7 Loss on Sale of Fixed asset	52.30	23.27
29.8 Job Work Charges	92.83	75.09
29.9 Miscellaneous Manufacturing Expenses	96.06	122.43
Sub Total (I)	2,665.76	2,711.60
(II)		
29.10 Stationery & Printing	6.51	4.74
29.11 Computer Expense	16.43	7.82
29.12 Rent, Rates and Taxes	35.59	26.30
29.13 Postage, Telegram and Telephones	16.26	13.10
29.14 Auditor's Fees	4.00	4.00
29.15 Conveyance Expenses	54.28	14.43
29.16 Legal & Professional Charges	190.66	165.96
29.17 Miscellaneous Expenses	7.79	38.08
29.18 Director's Meeting Fee	3.72	4.15
29.19 Net loss on foreign currency transactions	39.77	28.06
29.20 Corporate Social Responsibility	57.18	34.38
Sub Total (II)	432.19	341.02

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note-29 Other Expenses

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
(III)		
29.21 Advertisement & Publicity	2.97	5.33
29.22 Sales Promotion Expenses	204.19	54.90
29.23 Market Development Expenses	-	0.48
29.24 Brokerage & Commission	16.89	26.49
29.25 Service Charges	-	1.66
29.26 Freight Outward	714.16	1,000.78
29.27 Statutory Levies	17.53	157.15
29.28 Travelling Expenses	234.73	171.43
29.29 Expected credit Loss	3.53	38.77
29.29 Bad Debts	18.63	322.45
Sub Total (III)	1,212.63	1,779.44
TOTAL (I+II+III)	4,310.58	4,832.06

30. In the opinion of the Board of Directors of the Company, the Current Assets, Loans and Advances have a value realizable in the ordinary course of business at least equal to the amount at which they are stated and provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.

31. Contingent liabilities

- Estimated amount of contracts remaining to be executed on Capital Account Rs.804.70 Lakhs net of advance given (Previous Year Rs.172.49 Lakhs).
- Bank has given guarantee on behalf of the Company to various parties to the extent of Rs. 1612.61 Lakhs (Previous Year Rs.1371.66 Lakhs.)
- Claims Against company not acknowledge as debt by the company are as under:

(₹in Lakhs)

Sl. No.	Particulars	Amount of Demand as on 31.03.2022	Amount Deposited against demand till 31.03.2022	Amount of Demand as on 31.03.2021	Amount Deposited against demand till 31.03.2021
1	Demand for Excise duty Act various years pending appeals at various levels	150.42	11.84	150.42	11.84
2	Demand for Entry Tax Act various years pending appeals at various levels	129.73	116.18	135.26	117.90
3	Demand for Central Sales Tax Act various years pending appeals at various levels	114.38	17.39	136.67	36.18
4	Demand for Income Tax Act various years pending appeals at various levels	0.94	0.00	0.94	0.00

32. Remuneration Paid/Payable to Managing Director / Executive Director

(₹in Lakhs)

Paid / Payable	Current Year	Previous year
Remuneration	132.96	132.96
Commission	41.93	419.31
TOTAL	174.89	552.27

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

- 33.** Unpaid overdue amount due on March 31, 2022 to Micro Small and Medium Enterprises and/or ancillary industrial suppliers on account of principal together with interest aggregate to Rs. Nil.

This disclosure is on the basis of the information available with the company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the company.

Particulars	(₹in Lakhs)	
	31.03.2022	31.3.2021
a) The principal amount remaining unpaid to any supplier at the end of the year	260.27	281.02
b) Interest due remaining unpaid to any supplier at the end of the year	0	0
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	0	0
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	0	0
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	0	0
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	0	0

- 34.** The amount of Foreign Exchange gain/ (loss) included in the profit & loss account is Rs.(39.77) Lakhs (Previous Year gain/ (loss) Rs. (28.06) Lakhs).

Note No - 35 Corporate Social Responsibility (As Per Amendment)

(i)	Amount required to be spent by the company during the year	57.18	34.37
(ii)	Amount spent during the year	18.03	26.84
(iii)	Shortfall at the end of the year	39.15	7.53
(iv)	Total of previous years shortfall	7.53	
(v)	Reason for shortfall	The Company endeavored to ensure full utilization of the allocated CSR budget. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the amount on CSR activities in accordance with the statutory requirements.	The Company endeavored to ensure full utilization of the allocated CSR budget. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the amount on CSR activities in accordance with the statutory requirements.
(vi)	nature of CSR activities	Promoting Education etc., Promoting Health Care (including COVID-19 relief) . and Human and Environmental Development	Promoting School Education, Promoting Health Care (including COVID-19 relief), Eradicating hunger, poverty and malnutrition, Reduction of inequality, Welfare of Society, Promotion of Music, Rural Development and Protection of Art and Culture.
(vii)	details of related party transaction		
(viii)	Any amount paid under contractual agreement		

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

35. Employee Benefit Obligations

The disclosure required as per Indian Accounting Standard (IndAS) 19 "Employees Benefit" issued by the Institute of Chartered Accountants of India (ICAI) and as specified under section 133 of the Companies Act, 2013 (The Act) read with rule 7 of the Companies (Accounts) Rules, 2014., and based on the report generated by the actuarial valuer.

The Company has schemes (funded) for payment of gratuity to all eligible employees calculated at specified number of days of last drawn salary depending upon the tenure of service for each year of completed service subject to minimum service of five years payable at the time of separation upon superannuation or on exit otherwise. These defined benefit gratuity plans are governed by Payment of Gratuity Act, 1972

The company has taken Group Gratuity and Cash Accumulation Policy issued by the LIC, which is a defined benefit plan

(a) Funded status of the plan		(₹in Lakhs)
Particulars	31.03.2022	31.3.2021
Present value of unfunded obligations	0.00	0.00
Present value of funded obligations	266.94	227.72
Fair value of plan assets	(204.98)	(211.71)
Net Defined Benefit Liability/(Assets)	61.96	16.01

(b) Profit and loss account for the period		(₹in Lakhs)
Particulars	31.03.2022	31.3.2021
<u>Service cost:</u>		
Current service cost	30.24	25.09
Net interest cost	0.07	(0.63)
Expected Return on Plan Assets	0.00	0.00
Actuarial Gain Loss	0.00	0.00
Total included in 'Employee Benefit Expenses/(Income)	30.31	24.47

(c) Other Comprehensive Income for the period		(₹in Lakhs)
Particulars	31.03.2022	31.3.2021
<u>Components of actuarial gain/losses on obligations:</u>		
<u>Due to change in financial assumptions</u>	(9.22)	0.00
Due to experience adjustments	30.12	(8.18)
Return on plan assets excluding amounts included in interest income	(4.48)	0.58
Amounts recognized in Other Comprehensive (Income) / Expense	16.42	(7.60)

(d) Reconciliation of defined benefit obligation		(₹in Lakhs)
Particulars	31.03.2022	31.3.2021
Opening Defined Benefit Obligation	227.72	217.38
Current service cost	30.24	25.09
Interest cost	13.60	13.18
<u>Components of actuarial gain/losses on obligations:</u>		
Due to financial assumption	(9.22)	0.00
Due to experience adjustments	30.12	(8.18)
Benefit paid from fund	(25.51)	(19.75)
Closing Defined Benefit Obligation	266.94	227.72

(e) Reconciliation of plan assets		(₹in Lakhs)
Particulars	31.03.2022	31.3.2021
Opening value of plan assets	211.71	217.38
Interest Income	13.53	13.80
Return on plan assets excluding amounts included in interest income	4.48	(0.58)
Contributions by Employer	0.77	0.85
Benefits paid	(25.51)	(19.75)
Closing value of plan assets	204.98	211.71

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

35. Employee Benefit Obligations (contd.)

(f) Reconciliation of asset Ceiling

	(₹in Lakhs)	
Particulars	31.03.2022	31.3.2021
Opening value of asset ceiling	0.00	0.00
Interest on opening value of asset ceiling	0.00	0.00
Loss/(gain) on assets due to surplus/deficit	0.00	0.00
Closing value of plan asset ceiling	0.00	0.00

(g) Composition of the plan assets

	(₹in Lakhs)	
Particulars	31.03.2022	31.3.2021
Government of India Securities	0%	0%
State Government Securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Policy of insurance	100%	100%
Bank Balance	0%	0%
Other Investments	0%	0%
Total	100%	100%

(h) Reconciliation of Net Defined Benefit Liability/(Assets)

	(₹in Lakhs)	
Particulars	31.03.2022	31.3.2021
Net opening provision in books of accounts	16.01	0.00
Transfer in/(out) obligation	0.00	0.00
Transfer (in)/out plan assets	0.00	0.00
Employee Benefit Expense as per (b)	30.31	24.47
Amounts recognized in Other Comprehensive (Income) / Expense	16.42	(7.60)
	62.73	16.86
Benefits paid by the Company	0.00	0.00
Contributions to plan assets	(0.77)	(0.85)
Closing provision in books of accounts	61.96	16.01

(i) Reconciliation of plan assets

	(₹in Lakhs)	
Particulars	31.03.2022	31.3.2021
Discount Rate	6.85% p.a.	6.35% p.a.
Salary Growth Rate	7.00% p.a.	7.00% p.a.
Withdrawal Rates	10.00% p.a at all ages	10.00% p.a at all ages
Rate of Return on Plan Assets	6.85% p.a.	6.35% p.a.

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

35. Employee Benefit Obligations (contd.)

(i) Sensitivity to key assumptions		(₹in Lakhs)	
Particulars	31.03.2022	31.3.2021	
<u>Discount rate Sensitivity</u>			
Increase by 0.5%	258.25	220.39	
(% change)	(3.25%)	(3.22%)	
Decrease by 0.5%	276.16	235.49	
(% change)	3.45%	3.41%	
<u>Salary growth rate Sensitivity</u>			
Increase by 0.5%	275.66	235.38	
(% change)	3.27%	3.36%	
Decrease by 0.5%	258.52	220.42	
(% change)	(3.15%)	(3.20%)	
<u>Withdrawal rate (W.R.) Sensitivity</u>			
W.R. x 110%	266.30	226.62	
(% change)	(0.24%)	(0.48%)	
W.R. x 90%	267.55	228.86	
(% change)	0.23%	0.50%	

(j) A description of methods used for sensitivity analysis and its Limitations:

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. Discount rate Sensitivity Salary growth rate Sensitivity Withdrawal rate (W.R.) Sensitivity The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any. Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

(k) A Description of any Asset-Liability Matching Strategies.

It was informed by the company that Gratuity Benefits liabilities of the company are funded. There are no minimum funding requirements for a Gratuity Benefits plan and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

(l) The Effect of the Plan on the Entity's Future Cash Flows

The Company has purchased an Insurance policy to settle the Gratuity Payment to their employees. Company may do the contribution every years based on the funding valuation carry out by insurance company based on the latest data provided by Company

36. Deferred Tax and Current Tax calculations

36.1 Deferred Tax Liability / (Assets)

		(₹in Lakhs)	
Sr. no.	Paid / Payable	Current Year	Previous year
a.	Deferred Tax Liability (NET) for the year	11.11	31.91
b.	Opening Balance of Deferred Tax Liability	1005.29	973.38
c.	Closing Balance of Deferred Tax Liability	1016.40	1005.29

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

36.2 Tax Expenses

(₹in Lakhs)

Sr. no.	Paid / Payable	Current Year	Previous year
a.	Income tax expenses recognized in Statement of Profit & Loss		
	Current Tax Expenses	470.13	1265.20
	Tax Adjustment for Earlier Years	15.54	0.00
		485.67	1265.20
b.	Reconciliation of estimated income tax to income tax expense		
	Profit Before Tax as per P&L	1783.62	5120.11
	Expected income tax expense at statutory income tax rate of 25.168 % (Previous year: 25.168 %)	448.90	1288.63
c.	Tax Effect of adjustments to reconcile Income Tax Expenses reported		
	Income Exempt from Tax	0.00	0.00
	Long Term Capital Gains / Losses	0.00	0.00
	Expenses not deductible in determining Taxable Profit	37.97	18.41
	Expenses deducted in determining Taxable Profit	16.74	41.84
	Total Adjustment	21.22	-23.43
	Income Tax Expenses recognized in the Statement of Profit and Loss	470.13	1265.20

37. Since the company has presented Consolidated Financial Statements, it is not required to present segment information in the standalone financial statements as per Ind AS 108- Operating Segments.

38. Earning Per Share

The Company's share capital consists of equity share. The basic and diluted earnings per share is calculated as under:

(₹in Lakhs)

Sr. no.	Nature of Transaction	Current Year	Previous year
1.	Number of Shares	49603520	49603520
2.	Profit contribution for Basic EPS (Rs in Lakhs)	1403.39	3823.00
3.	Basic Earning Per Share	2.83	7.71
4.	Diluted Earning Per Share	2.83	7.71
5.	Nominal Value Per Share	1.00	1.00

39. In accordance with the Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India (ICAI) and as specified under section 133 of the Companies Act, 2013 (The Act) read with rule 7 of the Companies (Accounts) Rules, 2014. The names of the related parties and the relevant disclosure is as under:-

(a) Name of the related party and description of relationship:

i. Key Management Personnel:

Shri Shiv Singh Mehta, Chairman & Managing Director

Smt. Purnima Mehta, Executive Director

Shri Manoj Fadnis, Independent Director

Shri Chandrasekharan Bhaskar, Independent Director

Shri Rakesh Kalra, Independent Director

Shri Hitendra Mehta, Independent Director (appointed w.e.f. 13th August, 2021)

Smt. Vinita Puntambekar, Chief Financial Officer (appointed w.e.f. 1st February, 2022)

Ms. Apeksha Baisakhiya, Company Secretary

ii. Relatives of Key Management Personnel

Shri Saurabh Singh Mehta (Son of Chairman & Managing Director / Executive Director)

Smt. Devki Hirawat (Daughter of Chairman & Managing Director/ Executive Director)

Smt. Nidhi Mehta (Daughter-in-law of Chairman & Managing Director/Executive Director)

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

39. (contd.)

iii. Subsidiary Company

1) Kriti Auto & Engineering Plastics Pvt. Ltd (Wholly owned Subsidiary Company)

iv. Companies/entities under the control of Key Management Personnel

1) Sakam Trading Pvt. Ltd. (Holding Company)

2) Kriti Nutrients Ltd. (Fellow Subsidiary)

3) Chetak Builders Pvt. Ltd. (Fellow Subsidiary)

4) Sakam Charitable Trust, Indore

The following transaction were carried out with the related parties in the ordinary course of business

(₹in Lakhs)

Sr. no.	Nature of Transaction	Subsidiary	Key Management Personnel	Relatives of Key Management Personnel	Companies/entities under the control of Key Management Personnel
1	DEPB License purchased	NIL (NIL)	NIL (NIL)	NIL (NIL)	67.69 (77.83)
2	Sale of Consumable Items	NIL (NIL)	NIL (NIL)	NIL (NIL)	8.45 (4.41)
3	Sale of Capital Goods	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
4	Purchase of Consumable Items	NIL (28.68)	NIL (NIL)	NIL (NIL)	NIL (NIL)
5	Purchase of Capital Goods	NIL (282.78)	NIL (NIL)	NIL (NIL)	NIL (NIL)
6	Remuneration	NIL (NIL)	209.36 (593.78)	6.22 (6.22)	NIL (NIL)
7	Rent Paid	NIL (NIL)	0.24 (0.24)	NIL (NIL)	NIL (NIL)
8	Unsecured Loan				
	Given	NIL (39)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	Taken	800 (NIL)	496 (313)	38 (75)	5550 (3400)
	Closing Balances	800 (NIL)	1276 (836)	181.50 (143.50)	2400 (1000)
9	Interest Received	NIL (21.07)	NIL (NIL)	NIL (NIL)	NIL (NIL)
10	Interest Given	24.85 (NIL)	80.02 (69.94)	12.59 (10.92)	114.76 (147.73)

*The figures mentioned in the brackets are previous year figures.

*The related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.

40. Auditor's Remuneration

(₹in Lakhs)

Sr. No.	Auditor's Remuneration	Current Year	Previous year
a.	Statutory Audit/ Tax Audit Fees	4.00	4.00
b.	Taxation & Other matters including Legal & Professional Expenses.	0.60	0.43
	Total	4.60	4.43

*Figures are exclusive of taxes

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

41. A. Capital Management

For the purpose of Company's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximize the Share Holder Value.

The Company monitors using a gearing ratio which is net debts divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, less cash and Cash Equivalents.

Particulars	(₹in Lakhs)	
	As at 31 st March,2022	As at 31 st March,2021
Interest Bearing Loans and Borrowings	9772.68	7068.44
Current maturities of Long Term debts	626.72	708.40
Gross Debt	10399.40	7776.84
Less: Cash and Cash Equivalents	0.73	1.27
Net Debt (A)	10398.67	7775.57
Total Equity (as per Balance Sheet) (B)	15375.54	14133.24
Net Gearing (A/B)	0.68	0.55

B. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables and cash and short term deposits.

The Company has assessed market risk, credit risk and liquidity risk to its financial liabilities.

i. Market Risk

Is the risk of loss of future earnings, fair values or cash flows that may result from change of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans & borrowings and foreign currency payables.

Company's Term Loans & Working Capital interest rates are linked to 1 year MCLR rate, reset annually. Short Term Borrowings as and when taken are governed by prevailing rates at the time of disbursement.

If the interest rates had been 1% higher / lower and all other variables held constant, the company's profit for the year ended 31st March, 2021 would have been decreased/ increased by Rs.139.93 Lakhs.

The Company is exposed to risk with regard to foreign currency payables.

The Company is affected by the price volatility of Polymer prices. The Company enters into purchase contracts on a short term and forward foreign exchange contracts (matching the purchase contracts) are entered into to minimize price fluctuations.

ii. Credit Risk

Is the risk that a counter party will default on its contractual obligations resulting in a financial loss to the Company. It arises from cash and cash equivalents as well as credit exposure to customers.

The Company holds cash and cash equivalents with banks which are having highest safety rankings and hence has a low credit risk.

Company's marketing policies & credit period is determined on the basis of segments sales history and credit worthiness of the customers. The sales affected through dealer network is normally 7-10 days credit period & in institutional sales some customers open Letters of Credit and some large corporate enjoys the credit facilities ranging 30-90 days.

iii. Liquidity Risk

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Company has a system of forecasting next month cash inflow and outflow and all liquidity requirements are planned.

All Long term borrowings are for a fixed tenor and generally these cannot be foreclosed.

The Company has access to various source of Short term funding and debit maturing within 12 months can be rolled over with existing lenders/new lenders, or repaid based on short term requirements. Trade and other payables are plugged as per credit terms and paid accordingly.

All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

B. Financial Risk Management (contd.)

The Company has access to various source of Short term funding and debit maturing within 12 months can be rolled over with existing lenders/new lenders, or repaid based on short term requirements. Trade and other payables are plugged as per credit terms and paid accordingly. All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

42. Financial Ratios

Particulars	2021-22	2020-21	% Variance
a) Current Ratio (Current assets / Current Liabilities)	1.28	1.37	-7%
b) Debt to Equity (Total Debt /Shareholders Equity)	0.68	0.55	23%
c) Debt Service Coverage ratio(1) (Profit after tax+ Depreciation+ Finance Cost +loss on sale of fixed asset/(interest and lease payment+ Term Loan principal repayment)	1.71	3.01	-44%
d) Return on Equity (2) (PAT / Average Shareholders Equity)	10%	31%	-70%
e) Inventory Turnover ratio (COGS / Average Inventory)	2.70	3.40	-21%
f) Trade receivable Turnover ratio(3) (Revenue From Operations / Average Trade Receivable)	15.58	11.17	40%
g) Trade payable Turnover ratio (Raw material + Other expenses / Average Trade payable)	4.50	4.18	8%
h) Net capital turnover ratio (Revenue from operation/working capital)	8.81	9.25	-5%
i) Return on Sales(4) (PA T / Sales)	2.58%	6.49%	-60%
j) Return on Capital Employed (ROCE) (5) (EBIDT / E.Capital + R & Surplus + Long term Liabilities)	21.21%	38.01%	-44%
k) Return on Investment	N.A	N.A	N.A

1. Due to increase in Interest
2. The ratio is impacted due to decrease in profit mainly because of volatility in raw material prices/finance cost
3. Trade receivable is improved due to more cash sale
4. The ratio is impacted due to decrease in profit mainly because of volatility in raw material prices/finance cost
5. The ratio is impacted due to decrease in profit mainly because of volatility in raw material prices/finance cost

43. Government Grants

Madhya Pradesh Industrial Development Corporation, a Government of Madhya Pradesh Undertaking, has approved a sum of Rs 19.15 Crores (Rupees Nineteen Crores and Fifteen Lakhs only) as Investment Promotion Assistance out of the eligible investment of Rs 37.60 Crores (Rupees Thirty Seven Crores and Sixty Lakhs only). The total assistance is to be spread over a period of seven years, subject to compliance with the terms and conditions. Out of the above sum of Rs 19.15 Crores, the State Level Empowered Committee (SLEC) has sanctioned a sum of Rs 3.33 Crores (Rupees Three Crores Thirty Three Lakhs Only) [previous year Rs 2.15 Crores] as Investment Promotion Assistance (IPA) under the Investment Promotion Assistance (IPA) Scheme of Government of Madhya Pradesh. The same has been reduced from the carrying cost of the eligible assets and such reduced cost of the assets are depreciated over their useful lives.

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

44. The Board of Directors have recommended dividend of Rs 0.20 Per fully paid up equity share of Rs.1/ each aggregating Rs. 9920704 for the financial year 2021-22 The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date/book closure relevant share capital as on March 31, 2022.

45. Estimation of uncertainties relating to global health pandemic COVID-19

Continuing spread of COVID-19 has affected the economic activity across the Globe including India. This impact on the business will depend upon future developments that cannot be predicted reliably at this stage. However based on the preliminary estimates the Company does not anticipate any major challenge in meeting the financial obligations, on the long-term basis. Further, the company is not exposed to any further risk over and above the provisions already made as at quarter and year ended 31-Mar-22. However the company will closely monitor any material changes to future economic conditions impacting its business. Further, the company does not carry any risk in the recoverability.

46. A fire had engulfed at our Pithampur Plant, (M.P.) on 28th April, 2022 morning .Due to the robust safety measures adopted by the Company, the situation was brought under control immediately without any casualties and damaging any Plant and Machinery. The routine operations including production at the plant was resumed on the same day. The stock & assets amounting appx Rs 18 Crore were damaged during the above incidence, however the same were fully covered under Insurance and the Company has filed insurance claim.

47. Other Disclosures

- i. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder
- ii. The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- iii. The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956
- iv. The Company has complied the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- v. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the current as well as the previous year.
- vi. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
- vii. The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
- viii. The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- ix. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year as well as in the previous financial year.
- x. The Company has not made any contribution to any political party during the current financial year as well as in the previous financial year.
- xi. The Company does not have any benami property as defined under Benami Transaction (Prohibition) Act 1988.
- xii. All the immovable property held by the company are in the name of the company.

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

48. Approval of Financial Statements

The financial statements are approved by the Board of Directors in their meeting held on 30.05.2022. As per our report of even date attached.

For Rakesh Kumar & Associates

Chartered Accountants

F.R.N. 002150C

Puneet Gupta

Partner

M.No. 413168

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

For and on behalf of the Board of Directors

Purnima Mehta

Executive Director

DIN 00023632

Vinita Puntambekar

Chief Financial officer

Pankaj Baheti

Company Secretary

UDIN:22413168AJXLEH1671

Place: Indore

Date:- 30th May,2022

Independent Auditor's Report

To,
The Members,
Kriti Industries (India) Limited

Report on the Audit of the Consolidated Financial Statements:

Opinion:

We have audited the accompanying consolidated financial statements of KRITI INDUSTRIES (INDIA) LIMITED ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprises the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2022, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our

Responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on our consolidated financial statements.

Related to Going Concern (Emphasis of Matter):

We draw attention to Note No. 38 to the consolidated financial statements which indicates that the wholly owned Subsidiary of the Group [Kriti Auto & Engineering Plastics Private Limited] has discontinued its operations. Due to ongoing COVID-19 pandemic, the subsidiary was not having sustainable business, hence, it has sold off substantial portion of its assets. Therefore, the Financial Statements have not been prepared on going concern basis. Our opinion is not modified in respect of this matter.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor's Response
1.	<p>Evaluation of Tax Positions</p> <p>[Note No. 31(c) of the Consolidated Financial Statements read with Note No. 2.2.10 to the standalone financial statements of the Holding Company]:</p> <p>The Group's operations are subject to periodic challenges by local tax authorities on a range of tax matters arising in the normal course of business including direct tax and indirect tax matters. Estimating the income tax expense also requires the Group to determine the probability of tax authorities accepting a particular tax treatment for potential tax exposures. These involve significant judgment by the Group to determine the possible outcome of the tax litigations and potential tax exposures, consequently having an impact on related accounting and disclosures in the consolidated financial statements.</p>	<p>Our audit approach involved: -</p> <p>a) Obtaining an understanding of the current status of the key tax litigations/tax assessments;</p> <p>b) Evaluating the Group's assessment of the possible outcome of tax litigations, potential tax exposures and related disclosures in the standalone financial statements.</p> <p>c) Examining communication received from various Tax Authorities/ Judicial forums and consultations carried out by the Group including with external tax experts for key tax litigations and follow up action thereon;</p> <p>d) Evaluating the status of the recent tax assessments / inquiries, results of previous tax assessments, legal precedence / judicial rulings and changes in the tax environment. This is performed to assess and challenge the Group's estimate of the possible outcome of key tax litigations.</p>

S.No.	Key Audit Matter	Auditor's Response
		<p>e) Evaluating the merit of the subject matter under consideration with reference to available independent legal / tax advice; and</p> <p>f) Review and analysis of evaluation of the contentions of the Group through discussions, collection of details of the subject matter under consideration and the likely outcome.</p>
	We determined the above areas as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters.	

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information ("the Other Information"), but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements:

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated

financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis for accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company and its subsidiary has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in

terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- 2) (A) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company and its Subsidiary as on 31st March, 2022 taken on record by the respective Board of Directors of the Company, none of the directors of the companies included in the Group is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure – B" which is based on the auditor's report of the Holding Company and its subsidiary. Our report expresses an unmodified opinion on the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of those companies, for reasons stated therein.
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Consolidated financial statements has disclosed the impact of pending litigations on the consolidated financial position of the Group - Refer Note 31(c) to the consolidated Ind AS financial statements.

- b) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There was no delay in transferring amounts , required to be transferred to the Investor Education and Protection Fund by the Holding Company and there was no amount required to be transferred by the subsidiary during the year ended 31st March 2022.
- d) (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40 (vii) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the by the Holding Company or its subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 40 (viii) to the accounts, no funds have been received by the by the Holding Company or its subsidiary company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the by the Holding Company or its subsidiary company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The final dividend paid by the Holding Company during the current year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend. As stated in Note 44 to the Standalone financial statements of the Holding Company of the Group, the Board of Directors of the Holding Company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- (C) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.

FOR RAKESH KUMAR & ASSOCIATES

Chartered Accountants

Firm Reg. No.: 002150C

CA. PUNEET GUPTA

Partner

Membership No.: 413168

UDIN : 22413168AJXLTE4449

Place : Indore

Date : 30th May 2022

“Annexure A” to the Auditor’s Report

The Annexure referred to in paragraph 1 under “Report on other Legal and Regulatory Requirements” of our Independent Auditor’s Report of even date on the consolidated Ind AS financial statements to the members of Kriti Industries (India) Limited for the year ended 31st March 2022.

(xxi) There has been no qualifications or adverse remarks in the Companies (Auditor’s Report) Order, 2020 reports of the companies included in the Consolidated Financial Statements.

FOR RAKESH KUMAR & ASSOCIATES

Chartered Accountants

Firm Reg. No.: 002150C

CA. PUNEET GUPTA

Partner

Membership No.: 413168

UDIN : 22413168AJLTE4449

Place : Indore

Date : 30th May 2022

“Annexure B” to the Auditor’s Report

The Annexure referred to in paragraph 2(A)(f) under “Report on other Legal and Regulatory Requirements” of our Independent Auditor’s Report of even date on the consolidated Ind AS financial statements to the members of Kriti Industries (India) Limited for the year ended 31st March 2022.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of KRITI INDUSTRIES (INDIA) LIMITED (“the Holding Company”) and its subsidiary company which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls

with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company’s internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to consolidated financial statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2022, based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

FOR RAKESH KUMAR & ASSOCIATES

Chartered Accountants

Firm Reg. No.: 002150C

CA. PUNEET GUPTA

Partner

Membership No.: 413168

UDIN : 22413168AJLTE4449

Place : Indore

Date : 30th May 2022

Consolidated Balance Sheet as on 31.03.2022

(₹ in Lakhs)

Particulars	Note No	As at 31.03.2022	As at 31.03.2021
ASSETS			
(1) NON CURRENT ASSETS			
(a) Property, Plant and Equipment	3	10,581.25	10,031.96
(b) Capital work-in-progress		1,371.41	810.17
(c) Other Intangible assets	4	8.98	14.20
(d) Financial Assets			
(i) Investments	5	2.15	2.15
(ii) Loans	6	-	-
(iii) Other financial assets	7	224.04	315.10
Total Non Current Assets		12,187.83	11,173.58
(2) Current assets			
(a) Inventories	8	20,656.42	16,171.88
(b) Financial Assets			
(i) Trade receivables	9	3,235.36	3,868.03
(ii) Cash and cash equivalents	10	15.17	2.10
(iii) Bank balances other than (ii) above	11	1,372.50	2,193.74
(iv) Loans	12	224.44	749.19
(c) Income tax assets (Net)	24	114.21	-
(d) Other current assets	13	3,092.05	2,142.22
Sub Total		28,710.15	25,127.16
Property, Plant and Equipment Held for sale		24.79	183.03
(3) Property, Plant and Equipment Held for sale		24.79	183.03
Total Current Assets		28,734.94	25,310.19
Total Assets		40,922.77	36,483.77
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	14	496.04	496.04
(b) Other Equity	15	14,917.71	12,944.17
Total Equity		15,413.75	13,440.21
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	1,960.49	2,604.99
(ii) Lease Liability		287.60	304.25
(b) Deferred tax liabilities (Net)	17	1,016.40	1,041.37
(c) Other non-current liabilities	18	318.27	277.55
(d) Provisions	23	22.97	
Total non current Liabilities		3,605.73	4,228.16
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	7,638.92	5,176.36
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note No.33)		260.27	281.02
(b) Total outstanding dues of creditors other than micro and small enterprises	20	12,463.35	10,961.18
(iii) Others	21	13.34	14.09
(c) Other current liabilities	22	1,168.97	1,368.64
(d) Provisions	23	183.44	278.46
(e) Current tax liabilities (Net of Adv Tax & TDS)	24	-	57.85
Current Liabilities		21,728.29	18,137.60
Other advances received against assets held for sale.		175.00	677.80
Total Equity and Liabilities		40,922.77	36,483.77

Significant accounting policies & Notes to the accounts 1 -41**As per our Report of even date attached****For Rakesh Kumar & Associates**

Chartered Accountants

F.R.N. 002150C

Puneet Gupta

Partner

M.No. 413168

UDIN: 22413168AJLTE4449

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

For and on behalf of the Board of Directors

Purnima Mehta

Executive Director

DIN 00023632

Vinita Puntambekar

Chief Financial officer

Pankaj Baheti

Company Secretary

M.No. A64494

Place: Indore

Date:- 30th May'2022

KRITI INDUSTRIES (INDIA) LIMITED

CIN: L25206MP1990PLC005732

Consolidated Statement of Profit & Loss for the period ended 31.03.2022

(₹in Lakhs)

Particulars	Note No	For the year ended 31.03.2022	For the year ended 31.03.2022
REVENUE			
Revenue From Operations	25	54,473.96	58,916.50
Other Income	26	134.88	86.08
Total Income		54,608.84	59,002.58
EXPENSES			
Cost of materials consumed		46,686.95	46,767.76
Changes in inventories of finished goods, Stock-in-Trade and Work-in-Progress		(2,738.21)	(2,179.12)
Employee benefits expense	27	2,323.95	2,636.93
Finance costs	28	1,410.29	1,096.35
Depreciation and amortization expense	3-4	806.82	748.89
Other expenses	29	4,310.58	4,832.06
Total Expenses		52,800.38	53,902.87
Profit/(loss) before exceptional items and tax		1,808.46	5,099.71
Exceptional Items (Impairment Loss)		(116.55)	-
Profit/(loss) before tax		1,925.01	5,099.71
Tax expense:			
(1) Current tax		470.13	1,265.20
(2) Deferred tax		11.11	31.91
(3) Earlier Period Tax		15.54	
Total Tax Expenses		496.78	1,297.11
Net Profit/(Loss) for the period from continuing operations		1,428.23	3,802.60
Profit/(Loss) for the period from discontinued operations		551.33	(233.15)
Tax expense:			
(i) Current tax		22.41	-
(ii) Deferred tax		(36.08)	(36.29)
Net Profit/(Loss) for the period from discontinued operations		565.00	(196.86)
Net Profit/(Loss) for the period.		1,993.23	3,605.74
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		(16.42)	4.05
Total Other Comprehensive Income		(16.42)	4.05
Total Comprehensive Income for the period		1,976.81	3,609.79
Earnings per equity share			
(1) Basic		4.02	7.27
(2) Diluted		4.02	7.27

Significant accounting policies & Notes to the accounts 1 -41

As per our Report of even date attached

For Rakesh Kumar & Associates

Chartered Accountants

F.R.N. 002150C

Puneet Gupta

Partner

M.No. 413168

UDIN: 22413168AJLTE4449

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

For and on behalf of the Board of Directors

Purnima Mehta

Executive Director

DIN 00023632

Vinita Puntambekar

Chief Financial officer

Pankaj Baheti

Company Secretary

M.No. A64494

Place: Indore

Date:- 30th May'2022

Consolidated Cash Flow Statement as on 31.03.2022

(₹in Lakhs)

Particulars	Year Ended 31.3.2022		Year Ended 31.03.2021	
	Amount	Amount	Amount	Amount
Cash Flow From Operating Activities				
Net Profit before Tax		2,476.34		4,866.56
Add: Loss/ (profit) from Discontinued Operations		(551.33)		233.15
Net Profit before Tax (Net of Discontinued Operations)		1,925.01		5,099.71
Adjustments for :				
Depreciation	806.82		770.47	
(Profit)/ Loss on Sale of Fixed Assets	52.30		23.27	
Financial Income	(98.37)		(72.73)	
OCI Income	(16.42)		4.05	
Financial Expense	1,435.14	2,179.47	1,096.63	1,821.69
Cash Operating Profit before working capital changes		4,104.48		6,921.40
(Increase) / Decrease in Inventories	(4,484.54)		(2,610.28)	
(Increase) / Decrease in Trade Receivables	632.67		4,081.28	
(Increase) / Decrease in Deposit given	524.75		(99.10)	
(Increase) / Decrease in Other Current Assets	(958.23)		10.15	
(Increase) / Decrease in Loan Given	-		(13.88)	
(Increase) / Decrease in other Financial assets	91.06		(56.00)	
Increase / (Decrease) in Trade Payables	1,481.53		(4,380.65)	
Increase / (Decrease) in Other Financial Liabilities	(0.75)		(49.63)	
Increase / (Decrease) in Other Current Liabilities	(199.67)		330.79	
Increase / (Decrease) in Provisions	(71.25)		39.85	
Increase / (Decrease) in Other Tax Liabilities	(57.85)		45.50	
		(3,042.28)		(2,701.97)
Tax Paid		(659.37)		(1,268.28)
Net Cash From Operating Activities (A)		402.84		2,951.15
Cash Flow From Investing Activities				
Financial Income	98.37		72.73	
Sale Proceed Of Fixed Assets (Net)	(52.30)		(23.27)	
Purchase of Property, Plant & Equipment Including CWIP Net of Govt. Grant.	(1,781.36)		(906.36)	
Purchase of Intangible assets Including WIP	5.22		1.32	
Advance received against asset held for sale (Net of Asset)	(344.56)		494.77	
Investment in Fixed Deposits against margin money	821.24		(804.81)	
(Increase) / Decrease in Non Current Investment	-			
Profit/ (Loss) on sale of assets of discontinued operation	-		(1.66)	
Add: Loss/ (profit) from Discontinued Operations	551.33		(231.49)	

KRITI INDUSTRIES (INDIA) LIMITED

CIN: L25206MP1990PLC005732

Consolidated Cash Flow Statement as on 31.03.2022

(₹in Lakhs)

Particulars	Year Ended 31.3.2022		Year Ended 31.03.2021	
	Amount	Amount	Amount	Amount
Net Cash Used In Investing Activities (B)		(702.06)		(1,398.77)
Cash Flow From Financing Activities				
Proceeds from Long Term Borrowings	-		-	
Repayment of Long Term Borrowings	(644.50)		72.94	
Net Increase / (Decrease) in Long Term Borrowings	(644.50)		72.94	
Increase / (Decrease) in Other Non Current Liability	24.07		191.49	
Increase / (Decrease) in Short Term Borrowings	2,467.07		(648.48)	
Dividend Paid on Equity Shares	(99.21)		(74.41)	
Financial Expenses	(1,435.14)		(1,096.63)	
Net Cash Used In Financing Activities (C)		312.29		(1,555.09)
Net Decrease In Cash and Cash Equivalents (A + B + C)		13.07		(2.71)
ADD :Cash and cash equivalents - Opening - 1st April		2.10		4.81
Cash and cash equivalents - Closing - 31st March, 2022		15.17		2.10

Footnote to Cash Flow Statement:**1. Components of Cash and Cash Equivalents are produced as under:**

(₹in Lakhs)

Particulars	2021-22	2020-21
Cash & Cash Equivalents		
Balances with Banks		
Current Account	14.54	1.69
Cash on hand	0.63	0.41
Total of Cash & Cash Equivalent	15.17	2.10

Significant accounting policies & Notes to the accounts 1 -41**As per our Report of even date attached****For Rakesh Kumar & Associates**

Chartered Accountants

F.R.N. 002150C

Puneet Gupta

Partner

M.No. 413168

UDIN: 22413168AJXLTE4449

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

For and on behalf of the Board of Directors**Purnima Mehta**

Executive Director

DIN 00023632

Vinita Puntambekar

Chief Financial officer

Pankaj Baheti

Company Secretary

M.No. A64494

Place: Indore

Date:- 30th May'2022

Consolidated Statement of Change in Equity for the Year ended 31st March, 2022**A. Equity Share capital****(1) Current Reporting period**

(₹in Lakhs)

Equity Share Capital	Balances as at 1 st April,2020	Changes in equity share capital during the year due to prior period item	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 st March, 2022
Paid up Capital	496.04	-	-	-	496.04

(2) Previous Reporting period

(₹in Lakhs)

Equity Share Capital	Balances as at 1 st April,2020	Changes in equity share capital during the year due to prior period item	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 st March, 2021
Paid up Capital	496.04	-	-	-	496.04

B. Other Equity**(1) Current Reporting period**

Particulars	Reserves and Surplus				Retained Earnings	Total
	Capital Reserve	Securities Premium	General Reserve	Share Forfeiture Account		
Balance as at 1 st April 2021	-	466.14	3,725.00	2.73	8,891.72	13,085.59
Total Comprehensive income for 2021-22					1,993.23	1,993.23
Actuarial Gain/Loss on Defined Benefit Plan recognised in Other Comprehensive Income					(16.42)	(16.42)
Dividends					(99.21)	(99.21)
Transfer of retained earning			100.00		(100.00)	-
Short IT Provision 20-21					(45.48)	(45.48)
Balance as at 31st March 2022	-	466.14	3,825.00	2.73	10,623.85	14,917.72

(2) Previous Reporting period

Particulars	Reserves and Surplus				Retained Earnings	Total
	Capital Reserve	Securities Premium	General Reserve	Share Forfeiture Account		
Balance as at 1 st April 2020		466.14	3,525.00	2.73	5,420.18	9,414.05
Total Comprehensive income for 2020-21					3,605.74	3,605.74
Actuarial Gain/Loss on Defined Benefit Plan recognised in Other Comprehensive Income					1.88	1.88
Dividends					(74.41)	(74.41)
Transfer of retained earning			200.00		(200.00)	-
Short IT Provision 19-20					(3.09)	(3.09)
Balance as at 31st March 2021	-	466.14	3,725.00	2.73	8,750.30	12,944.17

KRITI INDUSTRIES (INDIA) LIMITED

CIN: L25206MP1990PLC005732

Consolidated Statement of Change in Equity for the Year ended 31st March, 2022**Share Premium Account**

Share Premium to be used in future to pay the expenses of issuing equity , such as underwriter fees or for issuing bonus shares to shareholders.

General Reserve

General Reserve are the retained earnings of a company which are kept aside out of company's profits to meet future (known or unknown) obligations.

Retained Earnings

The Balance in the Retained Earnings represents the accumulated profit after payment of dividend, transfer to General reserve and adjustment of Actuarial gains/(losses) on Defined benefit Plans.

Significant accounting policies & Notes to the accounts 1 -41**As per our Report of even date attached****For Rakesh Kumar & Associates***Chartered Accountants*

F.R.N. 002150C

Puneet Gupta*Partner*

M.No. 413168

UDIN: 22413168AJXLTE4449

Shiv Singh Mehta*Chairman and Managing Director*

DIN 00023523

For and on behalf of the Board of Directors**Purnima Mehta***Executive Director*

DIN 00023632

Vinita Puntambekar*Chief Financial officer***Pankaj Baheti***Company Secretary*

M.No. A64494

Place: Indore

Date:- 30th May'2022

Notes – 1 Significant accounting policies and notes to the accounts 31.03.2022

1. Corporate Information

Kriti Industries (India) Ltd., a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 12.03.1990 and having its Registered office in Indore (MP). The company's shares are listed in the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). KIL manufactures premium quality piping products and solution, accessories, gas pipe, telecom ducts, submersible pipes and casing pipes.

The Consolidated Financial Statements have been prepared as required u/s 129 (5) of the Companies Act 2013 ("the Act").

2. Statement of Compliance of Indian Accounting Standards

These financial statements are consolidated financial statements of the Group (also called consolidated financial statements). The Group has prepared and presented its consolidated financial statements for the year ended March 31, 2021 together with the comparative period information as at and for the year ended March 31, 2020 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

2.1 Basis of preparation and presentation

The Group has consistently applied all the accounting policies to all periods presented in these consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value:

- i. Certain financial assets and liabilities (including derivative instruments),
- ii. Defined benefit plans - plan assets

The Board of Directors of Kriti Industries (India) Limited in their meeting held on 24th March 2021 have decided to sell off the substantial portion of the assets of its wholly owned subsidiary Kriti Auto and Engineering Plastics Private Limited and to discontinue its operations. Accordingly, the financial statements of Kriti Auto and Engineering Plastics Private Limited are not prepared on going concern basis.

Historical cost measures provide monetary information about assets, liabilities and related income and expenses, using information derived, at least in part, from the price of the transaction or other event that gave rise to them. Unlike current value, historical cost does not reflect changes in values, except to the extent that those changes relate to impairment of an asset or a liability becoming onerous.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.2 Principles of consolidation

- a. The accompanying consolidated financial statements have been prepared and presented in Indian Rupees (INR) being the functional currency and the presentation currency of the Parent Company.
- b. The consolidated financial statements of the Group have been prepared on a line-by-line consolidation of Kriti Industries Limited and its wholly owned subsidiary by adding together the like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra-group balances and intra-group transaction including unrealized gain or losses from such transactions and cash flows relating to transactions between members of the Group are eliminated upon consolidation.
- c. The consolidated financial statements have been prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presents to the extent possible, in the same manner as the company's separate financial statements.
- d. The subsidiary considered in the consolidated financial statements is:

Name of Company	Country of incorporation	% Voting Power held as at 31 st March 2022	% Voting power held as at 31 st March 2021
Kriti Auto & Engineering Plastics Pvt. Ltd (KAEPPL)	India	100	100

Notes – 1 Significant accounting policies and notes to the accounts 31.03.2022

2.3. Other Significant accounting Policies

These are set out in the notes to the financial statements under “Statement of accounting Policies” of financial statements of the company and KAEPLL.

2.3.1 Recent pronouncements:

Ministry of Corporate Affairs (MCA) notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide Notification dated 23 March 2022. Following amendments and annual improvements to Ind AS are applicable from 1 April 2022.

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note No. -3-4 Property, Plant And Equipment (2021-22)

(₹in Lakhs)

Note	Particulars	Gross Block			DEPRECIATION				Net Block		
		01.04.2021	Addition	Deduction	Total	01.04.2021	For the Year	Written back	Total	31.03.2022	31.03.2021
3	Tangible Assets										
3.1	Land	-	-	-	-	-	-	-	-	-	-
3.1.1	Free hold Land	350.98	-	24.79	326.19	-	-	-	-	326.19	350.98
3.1.2	Lease hold Land	36.66	-	-	36.66	1.94	0.97	-	2.91	33.75	34.72
3.2	Buildings	2,396.95	303.87	41.00	2,659.82	367.11	109.67	-	476.78	2,183.04	2,029.83
3.3	Plant & Machinery	9,737.57	1,435.55	387.43	10,785.69	2,469.83	634.32	36.45	3,067.70	7,717.99	7,267.74
3.4	Furniture	58.28	0.58	-	58.86	20.33	5.28	-	25.61	33.25	37.95
3.5	Vehicles	24.35	-	-	24.35	20.58	2.83	-	23.41	0.94	3.77
3.6	Office Equipment	143.67	27.65	-	171.32	104.59	16.07	-	120.66	50.66	39.07
3.7	Right-of-Use Asset:	-	-	-	-	-	-	-	-	-	-
3.7.1	Office Building	324.72	-	-	324.72	56.83	32.46	-	89.29	235.43	267.90
	Total (3)	13,073.18	1,767.65	453.22	14,387.61	3,041.21	801.60	36.45	3,806.36	10,581.25	10,031.96
	Previous Year	12,539.59	796.89	263.30	13,073.18	2,307.55	743.41	9.75	3,041.21	10,031.96	10,232.04
4	Intangible Assets										
4.1	Computer Software	55.07	-	-	55.07	40.87	5.22	-	46.09	8.98	14.20
	Total (4)	55.07	-	-	55.07	40.87	5.22	-	46.09	8.98	14.20
	Previous Year	50.91	4.16	-	55.07	35.39	5.48	-	40.87	14.20	15.52
	Grand Total (3+4)										
	Previous Year	13,128.25	1,767.65	453.22	14,442.68	3,082.08	806.82	36.45	3,852.45	10,590.23	10,046.16
		12,590.49	801.06	263.30	13,128.25	2,342.94	748.89	9.75	3,082.08	10,046.16	10,247.56

CWIP Ageing

(₹in Lakhs)

As at 31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,371.41	-	-	-	1,371.41
Projects temporarily suspended					

CWIP Ageing

(₹in Lakhs)

As at 31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	810.17	-	-	-	810.17
Projects temporarily suspended					

Note-5 Investment

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
5.1 Investment in Trust Securities		
5.1.1 National Saving Certificate	0.14	0.14
5.2 Unquoted		
Non Trade Investment in equity instruments		
5.2.1 Sahkari Audhyogik Vasahat LIMITED (1 Share of Rs.500/-)	0.01	0.01
5.2.2 The Cosmos Co-operative Bank Ltd. (1000 Equity Shares of Rs. 100/- each)	1.00	1.00
Trade Investment in equity instruments		
5.2.3 Kriti Auto Engineering & Plastic Private Limited (100% Subsidiary)	1.00	1.00
Total	2.15	2.15

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note-6 Loans

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
6.1 SECURITY DEPOSITS	-	-
Total	-	-

Note-7 Other Financial Assets

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
7.1 Security deposit	224.04	259.10
7.2 Fixed deposit with banks having maturity more than 12 months	-	56.00
Total	224.04	315.10

Note-8 Inventories

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
8.1 Raw Material	8,433.26	6,855.09
8.2 Finished Goods	11,660.74	8,926.42
8.3 Stores and Spares & others	562.42	390.37
Total	20,656.42	16,171.88

Note-9 Trade Receivables

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
9.1 Trade Receivables		
Unsecured considered good	3,235.36	3,868.03
Total	3,235.36	3,868.03
Trade receivables		
Secured, considered good - -	-	-
Unsecured, considered good	3,235.36	3,868.03
Trade Receivables which have significant increase in Credit Risk	-	-
Less: Impairment for trade receivable	-	-
Trade Receivables - credit impaired - -	-	-
Current trade receivables	3,235.36	3,868.03

(₹in Lakhs)

Particular	Outstanding for the following periods from due date of payment as on 31.3.2022						Total
	Not Due	Less Than 6 month	6 month-1 years	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables-considered good	2,152.71	257.29	124.07	129.62	111.75	238.13	3,013.57
ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables-considered good	-	-	-	-	-	221.79	221.79
v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note-9 Trade Receivables (contd.)

(₹in Lakhs)

Particular	Outstanding for the following periods from due date of payment as on 31.3.2021					Total	
	Not Due	Less Than 6 month	6 month-1 years	1-2 years	2-3 years		More than 3 years
i) Undisputed Trade receivables-considered good	546.31	1,318.73	759.92	556.38		156.08	3,337.42
ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables-considered good	-	-	-	-	-	530.61	530.61
v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

Note-10 Cash And Cash Equivalents

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
10.1 Balances with Banks	14.54	1.69
10.2 Cash on hand	0.63	0.41
Total	15.17	2.10

Note-11 Other Bank Balances

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
11.1 Unpaid dividend	13.34	14.09
11.2 Fixed deposit with banks against margin money (Maturity less than 11 months)	1,359.16	2,179.65
Total	1,372.50	2,193.74

Note-12 Loans

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
12.1 Unsecured, Considered good	224.44	749.19
Advances recoverable in cash or kind or for value to be received	-	-
Total	224.44	749.19

Note-13 Other Current Assets

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
13.1 Sundry Deposits	55.15	57.09
13.2 Other Current Assets	961.63	1,320.29
13.3 Accrued Interest/ Income	36.58	44.60
13.4 Advance to Vendor/creditors (Vendor Debit Balances)	2,038.69	720.24
Total	3,092.05	2,142.22

Note-13(A) Non Current Assets Held For Sale

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
13a.i. Non current assets held for sale	24.79	

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note No -14 Share Capital

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
14.1 AUTHORIZED		
14.1.1 80000000 Equity Shares of Re. 1/- each	800.00	800.00
14.1.2 2000000 Optional convertible Preference Shares of Rs. 10/- each	200.00	200.00
14.2 ISSUED, SUBSCRIBED AND PAID UP		
14.2.1 49603520 equity shares of Rs 1/- each fully paid up. which are issued as fully paid upShares on 27.01.2010 on account of scheme of arrangement as approved by The Hon'ble High Court of M.P. Indore Bench		
14.2.2 Reconciliation of shares		
14.2.2.1 Opening Balance of 49603520 shares of Rs. 1/- each Total	496.04	496.04
14.2.2.2 Issued during the year	-	-
14.2.2.3 Closing Balance 49603520 shares of Rs. 1/- each	496.04	496.04
The company has issued only one class of shares referred to as equity shares having a par value of Rs.1 each. Holder of the equity share as referred in the records of the company as of date of the shareholder's meeting is referred to one vote in respect of each share held for all matters submitted to vote in the shareholder's meeting. The company declares and pays dividends in Indian rupees. In the event of liquidation of the company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts.		
Total	496.04	496.04
14.3 Shareholder Holding More Than 5 % Of Shares Of The Company And Its Percentage		
14.3.1 Sakam Trading Private Limited		
No. of Shares	2,58,43,673	2,58,43,673
% of Shares	52.10%	52.10%
14.3.2 Chetak Builders Private Limited		
No. of Shares	46,32,029	46,32,029
% of Shares	9.34%	9.34%

14.5 Promoter's Share holding

(₹in Lakhs)

Name of promoter	As at 31 March 2022			As at 31 March 2021		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
1) Shiv Singh Mehta	20,67,299	4.17	0.00	20,67,299	4.17	0.00
2) Purnima Mehta	2,97,587	0.60	0.00	2,97,587	0.60	0.31
3) Devki Mehta	38,736	0.08	0.01	36,736	0.07	0.00
4) Saurabh Mehta	30,423	0.06	0.00	30,423	0.06	0.00
5) Sakam Trading Private Limited	2,58,43,673	52.10	0.00	2,58,43,673	52.10	0.00
6) Chetak Builders Private Limited	46,32,029	9.34	0.00	46,32,029	9.34	0.08
Total	3,29,09,747	66.35	0.01	3,29,07,747	66.34	0.22

Pursuant to the Hon'ble High Court of M.P. order dated 1.11.2011 approving the scheme of amalgamation of promoter group companies viz Kriti Corporate Services Pvt.Ltd., Kriti Auto Accessories Private Ltd., Kasta Pipes Pvt.Ltd.and Shipra Pipes Pvt Ltd. with Sakam Trading Pvt.Ltd., the Shareholding of the above transferor companies are vested in Sakam Trading Pvt.Ltd. Thus Sakam Trading Pvt.Ltd. becomes holding company w.e.f.27.02.12 of Kriti Industries (I) Ltd.

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note No -15 Reserves & Surplus

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
15.1 RESERVES		
15.1.1 General Reserve		
15.1.1 Opening Balance	3,725.00	3,525.00
15.1.2 Add: Transfer from P&L	100.00	200.00
15.1.3 Add: Transfer from Contingency Reserves	-	-
15.1.4 Closing Balance	3,825.00	3,725.00
15.2 SHARE PREMIUM ACCOUNT		
15.2.1 Opening Balance	466.14	466.14
15.2.2 Add: Transfer from P&L	-	-
15.2.3 Closing Balance	466.14	466.14
15.3 SHARE FOREFEITURE ACCOUNT		
15.3.1 Opening Balance	2.73	2.73
15.3.2 Add: Transfer from P&L	-	-
15.3.3 Closing Balance	2.73	2.73
15.4 SURPLUS		
Statement of Profit & Loss		
15.4.1 Opening Balance	8,867.15	5,403.20
15.4.2 Add Profit & Loss during the period	1,993.23	3,605.74
	10,860.38	9,008.94
Less:		
15.4.3 Final Dividend @ Rs.0.20 per share (PY Rs 0.15 per share)	99.21	74.41
15.4.4 Corporate Dividend Tax	-	-
15.4.5 Transferred to General Reserve	100.00	200.00
15.4.6 Short IT Provision 20-21 (Previous year 19-20)	45.48	3.09
Balance in Surplus	10,615.69	8,731.44
15.5 OTHER COMPREHENSIVE INCOME (OCI)		
15.5.1 Opening Balance	24.57	16.98
15.5.2 Movement in OCI during the year	(16.42)	1.88
15.5.3 Closing Balance	8.15	18.86
Total	14,917.71	12,944.17

Note No -16 Financial Liabilities

16.1 TERM LOAN

(Installment due within 12 months shown in Current Liabilities)

16.1.1 SECURED

16.1.1.1 From Banks

Term of Repayment of Long Term Borrowings

(₹in Lakhs)

Particulars	31.3.2022	31.3.2021
HDFC BANK	458.33	824.99
HDFC BANK GECL	306.64	460.00
SBI GECL	195.52	320.00
Total	960.49	1,604.99
(Above loans are secured by First charge/ Mortgage on fixed assets of the company and personal guarantee of Managing Director)		
16.1.2 UNSECURED		
16.1.2.1 Loans & Advances from Related parties		
(Long Term Deposit received from Kriti Nutrients Ltd.)	1,000.00	1,000.00
Total	1,960.49	2,604.99
16.i) Lease Liability	287.60	304.25

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note No-17 Deferred Tax Liability Net

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
17.1 Deferred Tax Liability (Net)	1,016.40	1,041.37
On account of tax effects on timing difference arising due to difference in Depreciation	-	-
Total	1,016.40	1,041.37

Note No -18 Other Non Current Liabilities

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
18.1 Other Loans and advances	318.27	277.55
(Security Deposit received from dealers)		
Total	318.27	277.55

Note No -19 Short Term Borrowings

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
19.1 Loans repayable on Demand		
19.1.1 SECURED	-	-
From banks	2,654.70	3,488.46
(Secured by hypothecation of finished goods, Raw material, Stock in process, store and spares, sundry debtors, export bills, receivables and second charge on fixed assets of the company and personal guarantee of Managing director)		
Current maturities of Long term debt	626.72	708.40
19.1.2 UNSECURED	-	-
19.1.2.1 From banks	1,500.00	-
19.1.2.2 From others	-	-
19.1.2.3 Loans & Advances from Related parties	2,857.50	979.50
Total	7,638.92	5,176.36

Note No -20 Trade Payables

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
20.1 Trade Payables		
(a) Total outstanding dues of micro enterprises and small enterprises	260.27	281.02
(b) Total outstanding dues of creditors other than micro and small enterprises	12,463.35	10,961.18
Total	12,723.62	11,242.20

(₹in Lakhs)

Particular	Outstanding for the following periods from due date of payment as on 31.3.2022					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	260.27	-	-	-	-	260.27
(ii) Others	11,178.99	1,257.35	0.64	3.94	22.43	12,463.35
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

(₹in Lakhs)

Particular	Outstanding for the following periods from due date of payment as on 31.3.2021					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	281.02	-	-	-	-	281.02
(ii) Others	9,376.17	1,511.72	11.93	10.56	50.78	10,961.16
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note No -21 Others

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
21.1 Unpaid dividends	13.34	14.09
Total	13.34	14.09

Note No -22 Other Current Liabilities

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
22.1 Other Current Liabilities	846.80	1,134.01
22.2 Statutory Liabilities	77.49	79.70
22.3 Employee Payable	244.68	154.93
22.5 Advance from customer for sales of assets	-	-
Total	1,168.97	1,368.64

Note No -23 Provisions

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
23.1 Provision for Employees Benefits	122.31	104.31
23.2 Provision for Doubtful debts	61.13	57.60
23.3 Provision For Impairment Loss	-	116.55
23.4 Provision for Employees Benefits (Long Term)	22.97	-
Total	206.41	278.46

Note No -24 Current Tax Asset/Liabilities

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
24.1 Provision of Income Tax (Less:Adv Tax & TDS)	114.21	57.85
Total	114.21	57.85

Note No -24 (a) Other Advances Received Against Assets Held For Sale

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
24.a.i Advance received from sales of assets 24.1 Provision of Income Tax (Less:Adv Tax & TDS)	175.00	677.80

Note-25 Revenue From Operations

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
25.1 Sale of Products	54,442.44	58,886.73
25.2 Other operating revenues	31.52	29.77
Total	54,473.96	58,916.50

Note-26 Other Income

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
26.1 Interest Income	98.37	68.67
26.2 VAT/CST Subsidy	-	-
26.3 Net Gain on foreign currency transactions	-	-
26.4 Other Non-operating Income	36.51	17.41
26.5 Net gain on sales of Asset	-	-
Total	134.88	86.08

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note-27 Employee Benefits Expenses

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
27.1 Salaries & Wages	1,869.74	1,836.24
27.2 Contribution to provident and other fund	135.25	134.00
27.3 Staff Welfare Expenses	144.07	114.42
27.4 Director Remuneration	161.93	539.31
27.5 PF on Director Remuneration	12.96	12.96
Total	2,323.95	2,636.93

Note-28 Financial Cost

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
28.1 Interest Expenses	1,124.37	881.11
28.2 Other Borrowing Cost	285.92	215.24
Total	1,410.29	1,096.35

Note-29 Other Expenses

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
(I)		
29.1 Stores and Spares Consumed	282.52	239.74
29.2 Power Charges	1,423.44	1,580.96
29.3 Freight & Cartage	508.16	479.04
29.4 Repairs & Maintenance	98.49	89.65
29.5 Insurance Charges	76.31	64.31
29.6 Water Charges	35.65	37.11
29.7 Loss on Sale of Fixed asset	52.30	23.27
29.8 Job Work Charges	92.83	75.09
29.9 Miscellaneous Manufacturing Expenses	96.06	122.43
Sub Total (I)	2,665.76	2,711.60
(II)		
29.10 Stationery & Printing	6.51	4.74
29.11 Computer Expense	16.43	7.82
29.12 Rent, Rates and Taxes	35.59	26.30
29.13 Postage, Telegram and Telephones	16.26	13.10
29.14 Auditor's Fees	4.00	4.00
29.15 Conveyance Expenses	54.28	14.43
29.16 Legal & Professional Charges	190.66	165.96
29.17 Miscellaneous Expenses	7.79	38.08
29.18 Director's Meeting Fee	3.72	4.15
29.19 Net loss on foreign currency transactions	39.77	28.06
29.20 Corporate Social Responsibility	57.18	34.38
Sub Total (II)	432.19	341.02

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

Note-29 Other Expenses

(₹in Lakhs)

Particulars	31.03.2022	31.3.2021
(III)		
29.21 Advertisement & Publicity	2.97	5.33
29.22 Sales Promotion Expenses	204.19	54.90
29.23 Market Development Expenses	-	0.48
29.24 Brokerage & Commission	16.89	26.49
29.25 Service Charges	-	1.66
29.26 Freight Outward	714.16	1,000.78
29.27 Statutory Levies	17.53	157.15
29.28 Travelling Expenses	234.73	171.43
29.29 Expected credit Loss	3.53	38.77
29.29 Bad Debts	18.63	322.45
29.30 MAT Credit Write off	-	-
Sub Total (III)	1,212.63	1,779.44
TOTAL (I+II+III)	4,310.58	4,832.06

30. In the opinion of the Board of Directors of the Company, the Current Assets, Loans and advances have a value realizable in the ordinary course of business at least equal to the amount at which they are stated and provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.

31. Contingent liabilities

- Estimated amount of contracts remaining to be executed on Capital Account Rs. 804.70 Lakhs net of advance given (Previous Year Rs. 172.49 Lakhs)
- Bank has given guarantee on behalf of the Company to various parties to the extent of Rs.1612.61 Lakhs (Previous Year Rs. 1371.66 Lakhs.)
- Claims Against company not acknowledge as debt by the company are as under:

(₹in Lakhs)

Sl. No.	Particulars	Amount of Demand as on 31.03.2022	Amount Deposited against demand till 31.03.2022	Amount of Demand as on 31.03.2021	Amount Deposited against demand till 31.03.2021
1	Demand for MP & MH VAT Tax various years pending appeals at various levels	14.00	3.00	32.82	5.47
2	Demand for Entry Tax Act various years pending appeals at various levels	129.73	116.18	135.26	117.9
3	Demand for Central Sales Tax Act various years pending appeals at various levels	114.38	17.39	136.67	36.18
4	Demand for Excise and Service Tax Act various years pending appeals at various levels	150.42	11.84	6.14	0.47
5	Demand for Income Tax Act various years pending appeals at various levels	0.94	0.00	0.94	0.00

32. The amount of Foreign Exchange gain/ (loss) included in the profit & loss account is Rs. (39.77) Lakhs (Previous year gain/ (loss) Rs. (28.06) Lakhs).

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

33. As per Ind AS 108- "Operating Segment", segment information has been provided under the Notes to Financial Statement

	(₹in Lakhs)	
	2021-22	2020-21
(i) Revenue from external customers		
With in India	54473.96	58916.50
Outside India	-	-
Total	54473.96	58916.50
(ii) Non Current Assets		
With in India	12212.61	11173.58
Outside India	-	-
Total	12212.61	11173.58

(iii) Detail of Revenue from Single customer more than 10% (standalone)

There are no transaction with single customer which amounts to 10% or more of the Company's revenue.

34. Earning Per Share

The Company's share capital consists of equity share. The basic and diluted earnings per share is calculated as under:

		(₹in Lakhs)	
Sr. no.	Nature of Transaction	Current Year	Previous year
1.	Number of Shares	49603520	49603520
2.	Profit contribution for Basic EPS (Rs in Lakhs)	1993.24	3605.74
3.	Basic Earning Per Share	4.02	7.27
4.	Diluted Earning Per Share	4.02	7.27
5.	Nominal Value Per Share	1.00	1.00

35. Related Party Transactions

In accordance with the Indian Accounting Standard (IndAS) 24 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India (ICAI) and as specified under section 133 of the Companies Act, 2013 (The Act) read with rule 7 of the Companies (Accounts) Rules, 2014. The names of the related parties and the relevant disclosure is as under:-

(a) Name of the related party and description of relationship:

i. Key Management Personnel:

Shri Shiv Singh Mehta, Chairman & Managing Director

Smt. Purnima Mehta, Executive Director

Shri Manoj Fadnis, Independent Director

Shri Chandrasekharan Bhaskar, Independent Director

Shri Rakesh Kalra, Independent Director

Shri Hitendra Mehta, Independent Director (appointed w.e.f. 13th August, 2021)

Smt. Vinita Puntambekar, Chief Financial Officer (appointed w.e.f. 1st February, 2022)

Ms. Apeksha Baisakhiya, Company Secretary

ii. Relatives of Key Management Personnel

Shri Saurabh Singh Mehta (Son of Chairman & Managing Director/ Executive Director)

Smt. Devki Hirawat (Daughter of Chairman & Managing Director/ Executive Director)

Smt. Nidhi Mehta (Daughter-in-law of Chairman & Managing Director/Executive Director)

iii. Subsidiary Company

1) Kriti Auto & Engineering Plastics Pvt. Ltd (Wholly owned Subsidiary Company)

iv. Companies/entities under the control of Key Management Personnel

1) Sakam Trading Pvt. Ltd. (Holding Company)

2) Kriti Nutrients Ltd. (Fellow Subsidiary)

3) Chetak Builders Pvt. Ltd. (Fellow Subsidiary)

4) Sakam Charitable Trust, Indore

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

35. Related Party Transactions (contd.)

The following transaction were carried out with the related parties in the ordinary course of business

(₹in Lakhs)

Sr. no.	Nature of Transaction	Key Management Personnel	Relatives of Key Management Personnel	Companies/entities under the control of Key Management Personnel
1	DEPB License purchased	NIL (NIL)	NIL (NIL)	67.69 (77.83)
2	Sale of Consumable Items	NIL (NIL)	NIL (NIL)	8.45 (4.41)
3	Sale of Capital Goods	NIL (NIL)	NIL (NIL)	NIL (NIL)
4	Purchase of Consumable Items	NIL (NIL)	NIL (NIL)	NIL (NIL)
5	Purchase of Capital Goods	NIL (NIL)	NIL (NIL)	NIL (NIL)
6	Remuneration	209.36 (593.78)	6.22 (6.22)	NIL (NIL)
7	Rent Paid	0.39 (0.38)	NIL (NIL)	NIL (NIL)
8	Unsecured Loan			
	Given	NIL (NIL)	NIL (NIL)	NIL (NIL)
	Taken	496 (313)	38 (75)	5550 (3400)
	Closing Balances	1276 (836)	181.50 (143.50)	2400 (1000)
9	Interest Given	80.02 (69.94)	12.59 (10.92)	114.76 (147.73)

*The figures mentioned in the brackets are previous year figures.

* The related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.

36. Auditor's Remuneration

(₹in Lakhs)

Sr. No.	Auditor's Remuneration	Current Year	Previous year
a.	Statutory Audit/ Tax Audit Fees	4.50	4.50
b.	Taxation & Other matters including Legal & Professional Expenses.	0.60	0.43
	Total	5.10	4.93

*Figures are exclusive of taxes

37. Estimation of uncertainties relating to global health pandemic COVID-19

Continuing spread of COVID-19 has affected the economic activity across the Globe including India. However based on the preliminary estimates the Company does not anticipate any major challenge in meeting the financial obligations, on the long-term basis. Further, the company is not exposed to any further risk over and above the provisions already made as at year ended 31-Mar-21. However the company will closely monitor any material changes to future economic conditions impacting its business. Further, the company does not carry any risk in the recoverability.

38. Statement on Going Concern of WOS

Board of Kriti Industries India Limited in its meeting dated 24th March 2021 had decided to discontinue the operations of wholly owned subsidiary (WOS), Kriti Auto and Engineering Plastics Private Limited. Further the holding company had also provided for impairment loss of Rs 116.55 lakhs on account of investment in WOS, in the year ended 31-3-2020. As all the non-current assets of WOS, the land, building, plant and machinery and other assets have been sold with a gain of Rs 592.97 lakhs, the company has reversed the above referred impairment loss of Rs 116.65/- during the year

Further the financial statements of WOS have not been prepared on going concern basis in accordance with Ind AS 105.

Notes Forming Part of the Balance Sheet and Profit & Loss Accounts

39. Government Grants

Madhya Pradesh Industrial Development Corporation, a Government of Madhya Pradesh Undertaking, has approved a sum of Rs 19.15 Crores (Rupees Nineteen Crores and Fifteen Lakhs only) as Investment Promotion Assistance out of the eligible investment of Rs 37.60 Crores (Rupees Thirty Seven Crores and Sixty Lakhs only). The total assistance is to be spread over a period of seven years, subject to compliance with the terms and conditions. Out of the above sum of Rs 19.15 Crores, the State Level Empowered Committee (SLEC) has sanctioned a sum of Rs 3.33 Crores (Rupees Three Crores Thirty Three Lakhs Only) [previous year Rs 2.15 Crores] as Investment Promotion Assistance (IPA) under the Investment Promotion Assistance (IPA) Scheme of Government of Madhya Pradesh. The same has been reduced from the carrying cost of the eligible assets and such reduced cost of the assets are depreciated over their useful lives.

40. Other Disclosures

- i) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder
- ii) The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- iii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956
- iv) The Company has complied the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- v) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the current as well as the previous year.
- vi) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
- vii) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
- viii) The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- ix) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year as well as in the previous financial year.
- x) The Company has not made any contribution to any political party during the current financial year as well as in the previous financial year.
- xi) The Company does not have any benami property as defined under Benami Transaction (Prohibition) Act 1988.
- xii) All the immovable property held by the company are in the name of the company.

41. Approval of Financial Statements

The financial statements are approved by the Board of Directors in their meeting held on 30.05.2022.

As per our report of even date attached

For Rakesh Kumar & Associates

Chartered Accountants

F.R.N. 002150C

Puneet Gupta

Partner

M.No. 413168

Shiv Singh Mehta

Chairman and Managing Director

DIN 00023523

For and on behalf of the Board of Directors

Purnima Mehta

Executive Director

DIN 00023632

Vinita Puntambekar

Chief Financial officer

Pankaj Baheti

Company Secretary

UDIN: 22413168AJLTE4449

Place: Indore

Date:- 30th May,2022

Corporate Information

Board of Directors

Shri Shiv Singh Mehta

Chairman & Managing Director

Smt. Purnima Mehta

Executive Director

Shri Saurabh Singh Mehta

Director

Shri Rakesh Kalra

Independent Director

CA Manoj Fadnis

Independent Director

Shri Chandrasekharan Bhaskar

Independent Director

Shri Hitendra Mehta

Independent Director

Auditors

Rakesh Kumar & Associates

Chartered Accountants

"Navaratan", 128-R, Khatiwala Tank,

Indore – 452 004 (M.P.)

Bankers

State Bank of India

ICICI Bank Ltd.

HDFC Bank Ltd.

Company Secretary

Mr. Pankaj Baheti

Registered Office

Mehta Chambers, 34, Siyaganj

Indore – 452 007 (M.P.)

Corporate Support Center

8th floor, Plot no.10, PSP, IDA Scheme no.

78-II, Vijay nagar Indore 452010 MP IN

Share Transfer Agent

M/s Ankit Consultancy Pvt. Ltd.

60, Electronic Complex, Pardeshipura,

Indore – 452 010 (M.P.)



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GROUP

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