

**23RD ANNUAL REPORT
BOARD OF DIRECTORS**

JAY S. BARDIA	:	MANAGING DIRECTOR
TANSUKH GULGULIA	:	DIRECTOR
T. C. BACHHAWAT	:	DIRECTOR
PRADEEP KUMAR SINGH	:	DIRECTOR

ADMINISTRATIVE

P. L. BARDIA	:	CHIEF EXECUTIVE
TARUN KUMAR DAS	:	COMPANY SECRETARY
BANKER	:	BANK OF BARODA International Business Branch 4, India Exchange Place Kolkata - 700 001.
AUDITORS	:	M/s. JAGDISH AGARWAL & ASSOCIATES Chartered Accountants 446, City Centre, 19, Synagogue Street, Kolkata - 700 001.
REGISTERED OFFICE & WORKS - I	:	FALTA SPECIAL ECONOMIC ZONE Sector - 1, Plot No. 31 & 32 Falta, 24 Parganas (S), Pin - 743 504, West Bengal Phone : 91-3174-222227
WORKS - II	:	P. O. & Village Banganagar, Diamond Harbour Road 24-Parganas (S), West Bengal - 743 513 Phone : 91-3174-241005
WORKS - III	:	FALTA SPECIAL ECONOMIC ZONE Sector - 2, Plot No. 48, 24 Parganas (S) Pin - 743 504, West Bengal Phone : 91-3174-222262 / 67
WORKS - IV	:	FALTA SPECIAL ECONOMIC ZONE Sector - 2, 24 Parganas (S), Pin - 743 504, West Bengal Phone : 91-3174-222602
WORKS - V	:	FALTA SPECIAL ECONOMIC ZONE Sector - 2, Plot No. 49, 24 Parganas (S) Pin - 743 504, West Bengal Phone : 91-3174-222719
DEMAT REGISTRAR & SHARE TRANSFER AGENT	:	MAHESHWARI DATAMATICS (P) LTD. 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001 Phone : 033-22435809/5029, Fax : 033-22484787
HEAD OFFICE	:	410, Vardaan Building 25A, Abanindra Nath Tagore Sarani 4th Floor, Kolkata - 700 016 Phone : 033-22871366, Fax : 033-22871084 Website : www.kryptongroup.com E-mail : krypton@vsnl.com

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the members of Krypton Industries Limited will be held at Falta Special Economic Zone, Sector 1, Plot No. 31 & 32, P S Diamond Harbour, 24 Parganas (s), Pin 743504 on Friday, the 30th day of August, 2013 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 2013, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pradeep Kumar Singh, who retires by rotation and is eligible for re-appointment.
3. To appoint M/S. Jagdish Agarwal & Associates, the retiring Auditors as Statutory Auditors of the Company to hold office from conclusions of this Annual General Meeting until the conclusion of next annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

4. SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, the company hereby accords its approval to the appointment and the terms of remuneration of Mr. Jay Singh Bardia as Managing Director of the company for a period of three years with effect from 1st January 2014 on the terms and conditions set out in the Explanatory Statement annexed to the Notice convening the Annual General Meeting, including the remuneration payable to him in the event of loss or inadequacy of profits in any financial year not exceeding 5% of the net profits of the company in accordance with the Schedule XIII of Companies Act 1956 with a liberty to the Board of Director to alter and vary the terms and conditions in such manner as may be agreed to by and between the company and Mr. J. S. Bardia , provided however, such alteration are within the maximum limit laid down in the Companies Act 1956, for the time being in force."

"RESOLVED FURTHER that the remuneration payable to Mr. J. S. Bardia, the director of the Company in case of inadequacy of profit or loss in any particular financial year, subject to not exceeding ceiling limit specified in the Schedule XIII of the Companies Act 1956, calculated in accordance with the effective capital of Company as on the last date of financial year immediately preceding the financial year in which the appointment is made."

Registered Office:

Falta Special Economic Zone
Sector-1, Plot-31&32, Falta,
24-Parganas (S), Pin-743504
West Bengal

By Order of the Board

Tarun Kumar Das
Company Secretary

Date : 29.05.2013

KRYPTON INDUSTRIES LIMITED

NOTES :

1. A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on poll on his behalf. A proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the registered office of the Company not less than 48 hours before the commencement of the Annual General Meeting i.e. by 11:30 A.M of 28/08/2013.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
3. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, of Directors seeking for re-appointment at the Annual General Meeting is annexed.
4. Members, who wish to obtain information on the Accounts of the Company for the financial year ended 31st March, 2013 may send their queries at least 10 days before the date of Annual General Meeting to the Company Secretary at the Registered Office of the Company.
5. Members / Proxies are requested to bring their attendance slips along with copy of the Annual Report and accounts to the Annual General Meeting.
6. Members holding shares in physical form are requested to advise immediately, change in their address, if any, quoting their folio number(s), to the company's Registrar & Share Transfer Agent.
7. Members holding shares in dematerialized form may please note that while opening a depository account they may have given their Bank Account details. If Members want to change/correct the Bank Account details, they should communicate immediately to the concerned Depository Participant. Members are also requested to furnish the MICR code of their Bank to the Depository Participant. **The company will not entertain any direct request from members for deletion/change in Bank Account details as furnished by the Depository Participants to the Company.**
8. Members holding shares in physical Form are requested to notify/send the following to the Company's Registrar and Share Transfer Agent to facilitate better servicing:
 - Any change in their address /mandate / bank details.
 - Particulars of their bank account, in case the same has not been furnished earlier and
 - Share Certificates, held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such share holdings into a single account.
9. Non-Resident Shareholders are requested to inform the company immediately:
 - An address, in India, for sending all communications from the company.
 - E-mail address, phone no(s) / fax no(s), if any.
 - The particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
 - Change in residential status on return to India for permanent settlement.

10. Members who hold shares in physical form in single name are advised, in their own interest to avail of the nomination facility by filling Form 2B (in duplicate) as prescribed under the Companies (Central Government's) General Rules & Forms, 1956, with the Company or Registrar & Share Transfer Agent. The Company's Registrars & Share Transfer Agent on request will supply blank forms. Members holding shares in the dematerialised form may contact their Depository Participant for recording nomination in respect of their shares.
11. The Register of Members and Share Transfer books will remain closed from 20.08.2013 to 30.08.2013 (both day inclusive)
12. Members who hold the shares in dematerialized form are requested to bring their client ID and DP ID Nos. for easier identification of attendance at the meeting.

GREEN INITIATIVE OF MCA

Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paper less compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to kindly furnish your email id to Maheshwari Datamatics Pvt. Ltd (R&T of Krypton Industries Limited) at 6, Mangoe Lane, 2nd Floor , Kolkata -700 001 or email to **mdp@cal.vsnl.net.in**. Please ensure that you have indicated your Folio No. and as well as your consent to receive future communications from Krypton Industries Limited including Annual Reports etc through email at your registered email address.

Please help us to save the environment.

KRYPTON INDUSTRIES LIMITED

Annexure to the Notice

Extract of Explanatory Statement Pursuant to section 173(2) of the Companies Act, 1956.

ITEM NO. 4

The resolution seeks to obtain the members approval in respect of re-appointment and remuneration of the Company's Managing Director Mr. Jay Singh Bardia.

Mr. Jay Singh Bardia whose tenure as Managing Director of the Company expires on 31.12.2013, is reappointed as the Managing Director of the Company pursuant to Section 198, 269 & 309 read with Schedule. XIII and other applicable provisions of the Companies Act, 1956, by the Board of the Directors of the Company for a period of 3 (three) years with effect from 1st January, 2014 who will not be liable to retire by rotation. The appointment is subject to approval by the shareholders by a special resolution and the remuneration including the minimum remuneration payable with effect from 1st April, 2014 which has been approved by the Remuneration Committee of the Board.

The Remuneration Committee has fixed the remuneration and the minimum remuneration payable in case of loss or inadequacy of the profits, as detailed below in its meeting held on 29.05.2013. The Board in its meeting held on 29.05.2013 approved the appointment and the Remuneration as approved by the Remuneration Committee.

GENERAL INFORMATION :

The Company is in the business of manufacturing and sale of Tubeless Tyres, Rehab products & its parts & PU Footwear in Falta Special Economic Zone and Banganagar (West Bengal). The Company had a profit after tax of Rs.39.90 Lakhs for the financial year ended on 31st March, 2013. Earning in Foreign Currency in accrual basis for Exports (including trading goods) was Rs. 1,033.01 Lakhs in the same period.

PROFILE OF MR. JAY SINGH BARDIA

Mr. Jay Singh Bardia is of about 45 years of age is a Bachelor of Engineering (Electrical) and has rich experience of more than 18 years in the field of the Tyre manufacturing. He joined the Company on 1st October, 1992 as Additional Director and moved on to become the Managing Director of the Company in the year 1993. He is continuing as Managing Director since then.

Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person is not available.

There is no pecuniary relationship directly or indirectly with Company except as a Managing Director.

OTHER INFORMATION :

At present the Company is earning profit. Although the uncertainty in the international market has affected the profit margin but the company was able to grow the top line due to better DTA sales and expect to grow continuously in future. The company is taking all the efforts to ensure sustained growth and profitability and neutralize the effect of slow international market condition.

Mr. Jay Singh Bardia is re-appointed as Managing Director with effect from 1st January, 2014 for a period of 3 years vide Board Resolution held on 29.05.2013.

TERMS OF APPOINTMENT :

Period of Appointment : 3 years from 1st January, 2014
Position & Title : Managing Director under the Companies Act, 1956

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The said appointment is subject to the approval of the members in the General Meeting. The terms and conditions of the re-appointment including remuneration payable to Mr. J.S. Bardia are as follows:-

1. Period of Appointment : 3 (Three) years from 1st January, 2014
2. Remuneration :
 - a) Salary : The monthly salary payable to Managing Director is Rs.2,50,000 with effect from 1st April, 2014, with a liberty to the Board to review and set the level from time to time.
 - b) Provident Fund : Contribution to Provident Fund, Superannuation fund, Annuity Fund in Accordance with the Rules and Regulations of the company.
 - c) Leave Travel Assistance : As per the rules of the company.
 - d) Gratuity : As per the Gratuity Scheme of the Company payable at the end of the tenure / resignation / retirement.
 - e) Medical Expenses : Re-imbusement of Medical Expenses incurred and Mediclaim insurance for self and family.
 - f) Telephone : Telephone at Residence.
 - g) Leave Encashment : Encashment of accumulated leave at the end of the tenure as per rules of the company.
 - h) Club Fees : Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
 - i) Personal Accident Insurance : The annual premium of which does not exceed Rs.15,000 p.a.
 - j) Other Terms : He shall not be entitled to any fees for attending meetings of the Board of Directors or Committee thereof, either party is entitled to terminate the agreement by giving 3 (three) months notice in writing.

The above may be treated as an extract of the Draft Agreement proposed to be entered into between the Company and Mr. Jay Singh Bardia pursuant to sec. 302 of the Companies Act, 1956.

The terms and conditions of the said appointment and / or the Agreement are subject to the provisions of Section 198 and Section 309 of the Companies Act, 1956 and may be altered, and varied from time to time by the Board of Directors as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations.

However, the total remuneration including perquisites payable to Mr. J.S. Bardia under Schedule XIII shall not exceed 5% of the net profits of the company. In case of inadequacy of profits, the remuneration shall be payable in compliance with Table B of Schedule XIII of the Companies Act, 1956.

In compliance with the provisions of the Companies Act, 1956 the appointment and terms of remuneration/ agreement specified above is available for inspection to the member of the company at the Registered office on any working day upto the date of AGM between 10A.M. to 1 P.M.

The Board recommends passing of the Resolution as Special Resolution in the best interest of the Company.

None of the Directors, other than Mr. J.S. Bardia, is interested or concerned in the Resolution.

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ITEM NO. 2

Detail of Directors Seeking Re-Appointment at the forthcoming Annual General Meeting (in pursuance of clause 49 of the Listing Agreement)

Name of Director	Mr. Pradeep Kumar Singh
Date of Birth	15th January, 1962
Date of Appointment on the Board	8th December, 2010
Nationality	Indian
Qualification	M.A.
Expertise in Specific Functional Area	He has vast and rich experience in business administration. Real Estate, Transport & logistics are the area of his specialty. The company regularly avails his guidance on Business Policy and Strategy. His guidance and advices has contributed a lot in the progress of the company.
Directorships held in other Companies (excluding Foreign Companies)	(1) Swastik Projects Limited (2) Vijayanand Nirman Private Limited (3) Tarachand Estates Private Limited (4) Indus Earth Movers & Infrastructure Pvt. Limited
Memberships/Chairmanships of Committees of other Companies (Including only Shareholders / Investors Grievance Committee)	NIL
Number of shares held in the Company	NIL

Registered Office: Falta Special Economic Zone
Sector-1, Plot-31&32, Falta
24-Parganas (S), Pin-743504
West Bengal

By Order of the Board

Tarun Kumar Das
Company Secretary

Date: 29.05.2013

DIRECTORS' REPORT

Dear shareholders,

Your Directors present the 23rd Annual Report together with the audited accounts of the Company for the year ended 31st March 2013.

1. FINANCIAL RESULTS

During the year under review, the company achieved an aggregate income of **Rs. 4308.09** lakhs. The highlights of the financial results are as under :

	Amount in (Rupees in '000)	
	Current Year 2012-2013	Previous Year 2011-2012
Sales	424931.01	321356.61
Other Income	5878.78	5169.73
Gross Total Income	430809.79	326526.34
Profit before Interest, Depreciation & Tax	37389.89	19646.40
Interest	16583.69	12756.42
Depreciation	12816.45	7118.77
Profit before Exceptional Items & Extraordinary items and Tax	7989.75	(228.78)
Exceptional Items	-	13741.82
Profit before Tax and after Exceptional Items & Extraordinary Items	7989.75	(13970.60)
Provision for Taxation	3999.33	3229.88
Profit after Tax	3990.42	(17200.48)
Balance in P&L A/c brought Forward	48913.43	66113.91
Balance Available for Appropriation	97449.81	48913.43
Proposed Dividend	0.00	0.00
Tax on Proposed Dividend	0.00	0.00
Transfer to General Reserve	0.00	0.00
Balance carried to Balance Sheet	97449.81	48913.43

2. OVERVIEW AND REVIEW OF OPERATION

A review on division wise performance of the company is furnished below:-

Tyre Division

The total income of the tyre division for the year 2012-13 amounted to Rs.1901.84 lakhs compared to Rs.1447.60 lakhs of in the previous year i.e. the total income has increased by about 31.38%.

The profit before tax amounted to Rs.8.15 lakhs as compared to loss of Rs.(52.05) lakhs previous year.

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Company has taken necessary steps to increase the productivity and cost reduction of every product in general. With reorganizing of different merged units, overall performance will improve and overall operational cost will decrease.

Footwear division

The total income of the footwear division for the year 2012-13 amounted to Rs.1781.51 lakhs compared to Rs.1761.03 lakhs in the previous year i.e. the total income has increased by about 1.16%.

The unit reported a loss before tax of Rs.(59.85) lakhs during the year compared to loss of Rs.(81.84) lakhs in the previous year.

The continuous increase in raw materials and slower market conditions have impacted the growth and profitability of this business.

The company has taken a comprehensive review of the situation and is taking steps to change the product and customer mix for a stable business and specifically adding overseas customers to its business. Company have retained all its customers and have good continuous orders in hand.

Wheel division [Formerly known as Eco Wheels Pvt. Ltd. (Wheel Division)]

The total income of this unit being merged w.e.f. 1.04.2012 for the year 2012-13 amounted to Rs.1740.75 lakhs compared to Rs.1417.83 lakhs in the previous year i.e. the total income is being increased by 22.78%.

The unit reported the profit for the year 2012-13 amounted to Rs.135.50 lakhs compared to Rs. 101.06 lakhs in the previous year i.e. showing an increase of 34.08%.

The unit will further improve its performance due to new efficient increasing steps being taken and we will see results by mid of 2013 - 14.

Engineering division [Formerly known as Eco Wheels Pvt. Ltd. (Engg. Division)]

The total income of this unit being merged w.e.f. 1.04.2012 for the year 2012-13 amounted to Rs.424.86 lakhs compared to Rs.358.08 lakhs in the previous year i.e. the total income is being increased by 18.65%.

The unit posted the loss for the year 2012-13 amounted to Rs.(74.16) lakhs compared to Rs.(51.55) lakhs in the previous year .

The division has inroads to more locations and the "iCare" brand of products are being recognized in the rehab care equipment market.

Company has always taken a long term view of this business and this year the company is expecting a much better performance due to weaker Rupee and stronger Chinese Yuan, as we have to compete with Chinese products in India as well as across the world. This currency situation will help us to increase our sales quickly.

Plastic division [Formerly known as Barons Polymer Pvt. Ltd.]

The total income of this unit being merged w.e.f. 1.04.2012 for the year 2012-13 amounted to Rs.158.31 lakhs compared to Rs.136.09 lakhs in the previous year i.e. the total income is being increased by 16.33%.

The unit reported the loss for the year 2012-13 amounted to Rs.(9.23) lakhs compared to profit of Rs.9.50 lakhs in the previous year.

3. DIVIDEND

In order to strengthen the financial position of the company the Board of Directors have decided not to recommend any dividend for the Financial Year ended 31st March, 2013 and plough back the profits of the company in its business.

4. CONSOLIDATED FINANCIAL STATEMENTS & SUBSIDIARIES

The Company is not required to prepare Consolidated Financial Statement as stipulated by clause 32 of the Listing Agreement as all the subsidiaries of the Company have now ceased to be its subsidiary.

5. SUBSIDIARY COMPANIES

At present, the company does not have any subsidiary as Eco Wheels Pvt. Ltd., subsidiary of the Company is now being amalgamated with the Company as per the order of Honorable High Court of Calcutta on dated 28.02.2013.

Krypton Developers Limited, subsidiary of the Company ceased to be a subsidiary, upon the sale of its shares by the Company on dated 30.03.2013 and the same were sold at the carrying amount, so there is no profit /loss on such sale.

6. AMALGAMATION

With respect to the application filed under section 391-394 of the companies Act, 1956, before the Honorable High Court of Calcutta for the Scheme of Amalgamation/ merger of the Eco Wheels Pvt. Ltd. (a subsidiary of the company), Barons Polymers Pvt. Ltd. and Krypton Tyres Limited (Transferor Companies) with Krypton Industries Limited (Transferee Company), the Honorable High Court at Calcutta has sanctioned the Scheme by its order on dated 28.02.2013 being effective from 19.03.2013. On coming into effect of the Scheme, the Transferor Companies stand amalgamated with the Company on a going concern basis from the appointed date i.e. 01.04.2011.

7. CAPITAL EXPENDITURE

The Company has further invested Rs.2.55 Crore in expansion programmes for the Footwear Division and MCP Tubeless Tyre Divisions.

We are pleased to inform that the expansion of footwear division been implemented successfully and they have started production and our company should get a very good benefit due to this investments in the future.

Whereas, the expansions program for the PU tyre division was delayed due to local political issues in implementing the construction schedules. Now this situation is resolved and the Company has started to implement the project. The production from new unit will start by October 2013.

8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required by the Listing agreement with Stock Exchange:-

KRYPTON INDUSTRIES LIMITED

A. Industry Structure & Developments:-

Krypton Industries Limited (KIL) has flat year with respect to sales growth and particularly good year for local market network expansion. The marketing distribution network will be key focus area for this year also.

The MCP Tubeless tyre and Castor wheels business is continuously growing. There has been modest increase in our customer base both in international as well as domestic market. The overall performance of this division should have been much better but is effected by increased raw material prices and dollar fluctuation.

The footwear division too has posted a flat sales. The complete footwear is preferred more as compare to the footwear component, viz shoe sole business. This trend will continue this year and krypton will launch newer products in coming months to strengthen its position further in the Eastern India market. Krypton is working with very big OEM customers and also selling its own products through dealership network.

The medical equipment business has grown further facing stiff competition with cheap Chinese import. Over the last year the import from China has become more expensive and the quality of our products has been appreciated by the customers. This has helped the business to get a very good foothold in the market and the good quality reputation is bringing better sales.

B. Outlook and opportunities

The Company has identified the following opportunities and future building business areas:
KIL had a modest growth during the year 2012 - 13 even under difficult and turbulent market conditions.

New amalgamated structure of the units, will bring in new opportunity in building the existing business into new geographical boundaries.

Company is exploring the Asian, African and Eastern European market for all of its product range. These are growing markets compare to its current major market of USA and Europe.

The efforts into Domestic market has brought in good results and company is making effort to reach more market in the country from selective markets.

Also our brand "iCare" for rehab products and "SOFTFLEX" for footwear is now known brands in Indian market in their respective segments.

C. Outlook on threats, risk and concern

1. Business Risks:

Company is exploring into new overseas markets where business risk is higher than established markets like USA and Europe. But these markets have better sales realization and with proper financial control these risks can be avoided. Company has decided to take a zero risk approach when working in these market when offering credit to customers.

Changing US dollar against all the currencies are effecting the business profitability. As imports are getting dearer and sale in domestic market getting expensive.

The timely implementation of projects, managing distribution channel, providing right promotional support to its product will be very critical for overall success of the Company.

The increase in raw material cost, manpower cost and energy cost is another concern which it is facing. Till now company is able to pass on these increases to its customer with a lag for each increase. In future it has to be seen how much this will passing on of incremental cost will be possible. The Company is working more on reducing per unit input resource cost and is focusing on increasing productivity to reduce per unit manpower and power cost. With innovating new materials, and also reducing material cost of its product it aimed to remain on the growth path.

Major part of business depends on different large OEM customers. KIL enjoys a very good long term relations with its customers which helps itself to continue to get regular increased business with them. Company is also building up its own distribution network which is helping it to reduce the risk and increase profitability in the long run.

2. Financial Risks:

Company only have working capital loan in which interest rate is quite high as we see monetary easing in economy in F.Y 2013-14, our company will be benefited with low interest cost. Company has taken special program to reduce the debtors and credit period to the customers.

The foreign exchange risks are regularly covered but still dollar fluctuation can impact to profitability of company.

3. Legal & Statutory Risks:

The Company has entered into the business agreements with various companies in different countries, by making them distributors or customers of the Company's product and also in process of signing non-disclosure agreements with some of them, which sometimes restrict the scope of business.

The Company has laid down procedures to monitor that all statutory obligation are timely met. Continuous monitoring of the same through a proper system of reporting ensures that the Company has not defaulted in the same.

4. Political Risks:

The Company has negligible risk due to political situation as it does not have any business with countries, which are termed or perceived, as politically unstable countries. None of the assets of the company are situated on politically unstable regions.

Changes in taxation system can effect in positive and negative manners and accordingly like any other business KIL also have to face such risks.

The MCP tubeless Tyres Project got delayed by 18 months due to local political problem and now everything is sorted out and we expect to complete construction in August 2013 and production will start in October 2013.

D. Internal Control System and their adequacy:

The Company believes that Internal Control is a necessary concomitant of the principle of governance that freedom of management should be exercised within a framework of appropriate checks and

KRYPTON INDUSTRIES LIMITED

balances. The Internal Control Systems of the Company is adequate and commensurate to its size and nature of its operations. These have been designed to provide reasonable assurance with regards to maintaining and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transaction with proper authorization and ensuring compliance with corporate policies.

The company has an Audit Committee, the details of which have been provided in the Corporate Governance Report. The Audit Committee reviews internal reports and provides suggestions for improvement and takes corrective actions. The committee also meets the Company's Statutory Auditors to ascertain, inter alia, their views on the adequacy of Internal Control Systems in the company and keeps Board of Directors informed from time to time.

E. Financial Performance:

Financial Performance of the company has improved compared to past but is yet not very encouraging and it is expected to perform much better in coming years.

F. Human Resource Development:

The company strives to attract, integrate, develop and retain the best talent required for driving business growth. During the fiscal 2012-2013 company has more than 250 Persons on its payroll. Apart from this company has generated indirect employment to more than 500 persons in nearby locations. Company is working on to restructure the total organization to help its growth with further recruitment in the top and middle management level at different positions.

G. Cautionary Note:

Certain statements made in the "Management Discussion & Analysis Report " which seek to describe the company's objectives, projections, estimates, expectation or predictions etc may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual result may differ from such expectations, projections, etc., whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities, etc. which the company doesn't have any direct control.

9. FIXED DEPOSITS

The Company has neither invited nor accepted any fixed deposits from the public within the meaning of section 58A of the Companies Act, 1956 during the year under review.

10. LISTING AT STOCK EXCHANGES

The equity shares of the company are listed on the stock exchanges at Kolkata, Mumbai, Delhi and Jaipur. The annual Listing fees for the year 2012-2013 has been paid to all these stock exchanges.

11. CORPORATE GOVERNANCE

A separate section on corporate governance together with a certificate from the Auditors of the company regarding full compliance with the provisions of Clause 49 of the Listing Agreement with the stock exchanges forms a part of this Annual Report.

12. DIRECTORS

In accordance with the provision of the Companies Act, 1956 Mr. Pradeep Kumar Singh retires by rotation as director at the forthcoming Annual General Meeting and is eligible for reappointment.

13. RIGHTS ISSUE

The Company has issued equity shares of Rs.10/- each on right basis at a price of Rs. 15/- in the ratio 17:10 in April 2011 aggregating to 1,01,99,329 shares against a total amount of received of Rs.1529.90 lakhs and the company has refunded 433.30 lakhs to the shareholders. The company has utilized the balance of Rs.1096.60 lakhs against which 7310680 shares have been allotted fully paid up on 7th May 2011. The amount utilized in the following manner:-

Sl. No.	Particulars	Amount in'Lakhs (Rs.)
a.	Expenses Incurred / Deployed to Footwear Division	437.84
b.	Expenses Incurred / Deployed to Tyre Division	422.70
c.	Right Issue Expenses	37.99
d.	Fixed Deposit with scheduled banks	181.58
e.	Deposit with BSE(Refundable)	11.00
f.	Balance lying in the current accounts with Scheduled Bank	5.49
		1096.60

14. DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm having:

- Followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures if any;
- Selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give true and fair view of the state of affairs of our company at the end of the financial year and of the profit of our company for that period.
- Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of our company and for preventing and detecting fraud and other irregularities.; and
- Prepared the annual accounts on a going concern basis.

15. PARTICULARS OF EMPLOYEES

During the year under review there was no employee in the employment of the company falling within the purview of section 217(2A) of the Companies Act, 1956 read with Rules made there under.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN

EXCHANGE EARNINGS AND OUTGO:

The information as required Under Section 217(1)(e) of the Companies Act,1956 read with Companies(Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are appended as Annexure to the Report hereinafter.

KRYPTON INDUSTRIES LIMITED

17. AUDITOR'S REPORT

The Auditors Report is self-explanatory and doesn't warrant any comment

18. ISO 9001-2008

The Company operates in ISO 9000 quality assurance system as per the ISO 9001-2008 standards. The Audit was duly carried out during the year 2012 by TUV SUD South Asia Private Limited. The new standards are mainly customer oriented and they will help the Company to get much better controls to improve with best customer satisfaction standards.

19. AUDITORS

M/s. Jagdish Agarwal & Associates (Registration No.320253E) retire as Auditors of the Company at the conclusion of the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Auditors, if re-appointed.

20. APPRECIATION

Your Directors take this opportunity to record their appreciation for the continued and sustained support and co-operation extended to the Company by the Government of India, State Governments, Financial Institutions and Banks, Dealers and Customers, Suppliers, Transporters, Employees, Shareholders and all other Stakeholders.

Registered Office : Falta Special Economic Zone
Sector-1, Plot-31 & 32, Falta
24 Parganas (s), Pin-743504
West Bengal

For and on behalf of the Board

Jay Singh Bardia
Chairman

Date: 29.05.2013

ANNEXURE TO THE DIRECTORS REPORT

Statement showing particulars pursuant to the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988.

A) CONSERVATION OF ENERGY

(a) POWER AND FUEL CONSUMPTION	Current year 2012-2013	Previous Year 2011-2012
1) Electricity		
a) Purchased (from State Grid)		
Units (in KWH)	1490897	1115555
Total amount (Rs. in Lacs)	127.71	73.32
Rate / Units (Rs/ KWH)	8.56	6.57
b) Own Generator		
Through diesel Generator		
Units (KWH)	24,853	23,762
Units per liter of Diesel Oil (KWH /Liters)		
Cost / Unit (Rs. / KWH)	7.46	15.66
2) Coal, furnace Oil, other	-	-
(b) CONSUMPTION PER UNIT OF PRODUCTION		
(1) MCP TYRES, RIM & WHEEL CHAIR PARTS		
Production (Pcs in Lacs)	19.24	7.10
Electricity per pcs (unit)	0.40	1.63
(2) FOOTWEAR		
Production (pairs in lacs)	15.16	17.12
Electricity per pair (unit)	0.37	0.40
(3) HOSPITAL EQUIPMENTS & COMPONENTS		
Production (Pcs. in lacs)	0.48	-
Electricity per pcs. (unit)	3.31	-

(B) TECHNOLOGY ABSORPTION

1. Specific areas where R & D carried out by the Company

The Company is working on developing high end products and mass product line in the footwear product range which can generate good revenue in coming years. Some of the products are at the trial production stage and should be in market in coming years.

The Company with its new merged units are working to expand its product base in Rehab Care/ Hospital Furniture Division by adding new products.

The Company has also developing the high performance Tyres which will resulted in new product which will open a new market with immense potential. The Company is in final phase Research in this field and will do trial production of these products in this year.

2. Benefit derived as a result of the above R&D

The Company will receive very good response in the footwear market for its new product line of PU

KRYPTON INDUSTRIES LIMITED

DIP men's Shoes and higher range of Chappals, therefore, helping the company to generate reasonable business even with difficult market situations.

With in-house designs, more India specific, for the disable persons and patient assistance equipments, hospital furniture, Company could produce these products at very competitive prices and with market acceptable products. The "iCare" product range has been introduced in the market and with very good response. The Company plan to distribute the whole product range in India and also for global market.

The High capacity Tyres and castor wheel project is under beginning stage till we are seeing immense potential in Indian market and worldwide.

3. Future Plan of Action

The Company is working on development of PU DIP men's shoes and further higher range of Chappals and sandals in the footwear segment, and very good growing domestic markets.

Company will built up more R&D capabilities and new product lines for disable persons and patient support equipments and Hospital furniture to enhance product range to enter different market segments and give a cost effective solution to the Hospital and patient care industry.

The Company has taken more products developments for India market. First phase of trials, data collections and research on these data has given lot of inputs for modifying / developing new products for Indian market mainly, targeting bicycles, electric bikes and push carts. The Company has put up its PU tire development team on these products for future growth in the India market.

FOREIGN EXCHANGE EARNING AND OUTGO	<u>2012-2013</u>	<u>2011-2012</u>
1. (A) Foreign Exchange Earning	103301.03	80323.40
2. (B) Foreign Exchange Outgo		
i) CIF VALUE OF IMPORTS		
• Raw materials, Component & trading Goods	112472.90	59693.99
• Stores and Spare parts & Component	1636.69	2338.54
• Capital Goods	1073.47	14186.18
ii) Others	741.30	411.36

Registered Office : Falta Special Economic Zone
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24 Parganas (s), Pin-743504
West Bengal

For and on behalf of the Board

Jay Singh Bardia
Chairman

Date: 29.05.2013

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 The Listing Agreement)

1. Company's Philosophy on Corporate Governance

The basic philosophy of corporate governance in the Company is to maximize long-term shareholder's value, keeping in view the needs and interests of all its stakeholders and to achieve business excellence. The Company is committed to transparency in all its dealings and places high emphasis on business ethics.

The key elements of good corporate governance include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and a commitment to the organization. The Corporate Governance framework of the Company ensures that timely and accurate disclosure is being made on all material matters regarding the Company, including the financial situation, performance, ownership and governance of the Company. The Board believes good Corporate Governance is voluntary and self-disciplinary. The Board supports principles of good governance and lays appropriate emphasis on regulatory compliance, integrity and accountability.

2. Board of Directors :

a) Composition and category of Directors

The Board of Directors of the Company as on 31st March, 2013 comprised of total 4 Directors, consisting of One Executive Director and 3 Non Executive Independent Directors. Mr. Jay Singh Bardia, Managing Director is the only Executive Director. During the year under review the Board met 10 times on 27.04.2012, 30.05.2012, 18.07.2012, 13.08.2012, 30.10.2012, 09.11.2012, 28.12.2012, 28.01.2013, 01.02.2013 and 28.03.2013. The constitution of the Board during the year ended 31st March 2013 and their attendance at the Board Meetings, last Annual General Meeting and the Directorship/ Chairmanship/ Membership of Committee of each Director in other companies are as under:

Sl. No.	Name of Director	Attendance		Category of Directors directors	Relationship with other	No. of Directorship Public Companies		No. of committee Membership/Chairmanship in other Companies	
		Board	Last AGM			Listed	Others	Chairman	Members
1.	Mr. Jay S. Bardia	10	Yes	Executive, Chairman-cum Managing Director	None	NIL	3	NIL	NIL
2.	Mr. Tilok Chand Bachhawat	09	No	Independent Non-Executive	None	NIL	NIL	NIL	NIL
3.	Mr. Tansukh Gulgulia	05	No	Independent Non-Executive	None	NIL	2	NIL	NIL
4.	Mr. Pradeep Kumar Singh	10	No	Independent, Non-executive	None	NIL	1	NIL	NIL

KRYPTON INDUSTRIES LIMITED

None of the director is a member in more than 10 committees or acts as a Chairman of more than 5 Committees across all companies in which he is a director.

Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for consideration.

b) Board Procedure :

Scheduling and selection of Agenda Items for Board Meetings:

- i) The Company holds minimum of four Board Meetings in each year, which are pre-scheduled after the end of each quarter. Apart from the four pre-scheduled Board Meetings, additional Board Meetings are convened by giving appropriate notice at any time to address the specific needs of the Company.
- ii) All departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion / approval in the Board Committee Meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board Meetings.
- iii) The Board is given presentations covering Finance, the major business segments and operations of the Company, before taking on record the results of the Company for the preceding financial quarter at each of the pre-scheduled Board Meeting.

The Chairman of the Board and the Company Secretary in consultation with the other concerned persons in senior management finalise the agenda papers for the Board Meeting. Directors have access to the Company Secretary's support and all information of the Company and are free to suggest inclusion of any matter in the Agenda.

Board Material Distributed in Advance

Agenda Papers are circulated to the Directors, in advance. All material information is incorporated in the Agenda Papers for facilitating meaningful and focused discussions at the Meeting. Where it is not practicable to attach any documents to the Agenda, the same are placed on the table at the Meeting.

Recording Minutes of Proceedings at Board/Committee Meetings

The Company Secretary records the minutes of the proceedings of each Board Meeting. Draft Minutes are circulated to all the members of the Board for their comments. The minutes of proceedings of a Meeting are entered in the Minutes Book within 30 days from the conclusion of the Meeting.

Compliance

The Company Secretary while preparing the agenda, notes on agenda, minutes etc. of the Meeting(s), is responsible for and is required to ensure adherence to all the applicable provisions of law including the Companies Act, 1956.

c) Reappointment of Director liable to retire by rotation :

According to the provisions of the Companies Act, 1956 at every Annual General Meeting of the Company one- third of directors are liable to retire by rotation. Thus, Mr. Pradeep Kumar Singh shall retire at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

d) Directors with materially significant related party transaction, pecuniary or business relationship with the company :

Except for drawing remuneration and sitting fees, none of the directors have any other materially significant related party transaction, pecuniary or business relationship with the company.

3. Audit Committee :

The terms of reference, role and scope are in line with those prescribed by Clause 49 of the Listing Agreement with the Stock Exchange(s). The Company also complies with provisions of section 292A of the Companies Act, 1956 pertaining to Audit Committee and its functioning.

- a) The Audit Committee consists of Mr. Jay Singh Bardia, Managing Director and other two Independent non-executive directors viz., Mr.T.C.Bachhawat, F.C.A. and Mr. Tansukh Gulgulia, LL.B.

Mr. T. C. Bachhawat, an Independent Director, has been designated as the Chairman of the Committee, who is having good knowledge in finance and accountings. The Committee is mandated to meet at least four times in a year. Mr. Tarun Kumar Das acted as Secretary to the Committee.

b) Brief description of the terms of reference to the Audit Committee :

- I. Overview of Company's Financial Reporting process & the disclosure of its Financial Information to ensure that the Financial Statement reflects true and fair position and that sufficient and credible information is disclosed.
- II. Recommending to the board the appointment, re-appointment and if required, the replacement or removal of Statutory Auditor and fixation of Audit fees and approval of payment for any other services rendered by them.
- III. Reviewing with the management, the performance of the external & internal auditors, adequacy of Internal Control System.
- IV. Reviewing the adequacy of internal audit functions.
- V. Reviewing with the management, the unaudited Quarterly/Half yearly and annual financial statements before submissions to the Board for approval, focusing on: -
 - Any changes in accounting policies and practices and reason.
 - Major Accounting entries involving estimates based on the exercise of judgement by the management.
 - Qualifications in draft Audit Report.
 - Significant adjustments arising out of audit.
 - The Going Concern assumption.
 - Compliance with Accounting Standards.
 - Compliance with Stock Exchange and Legal Requirements concerning financial statements.
- VI. Reviewing the company's financial and risk management policies.

Composition of Audit Committee: -

SL. No.	Name of Member	Category	No. of meetings attended
1	Mr. T.C Bachhawat	Chairman	4
2	Mr. Jay Singh Bardia	Member	4
3	Mr. T. S. Gulgulia	Member	2

Four Committee meetings were held during the year viz., on 30.05.2012, 13.08.2012, 09.11.2012, 01.02.2013.

KRYPTON INDUSTRIES LIMITED

4. Remuneration Committee :

The Remuneration Committee of the Board of Directors of the Company was set up by the Board in May 2004. The Committee has been constituted to recommend / review remuneration of the Managing Director, based on his performance and defined assessment criteria. The Committee consists of three independent Directors viz. Mr. Tansukh Gulgulia, Mr. Pradeep Kumar Singh and Mr.T.C.Bachhawat. Mr. Pradeep Kumar Singh has been designated as the Chairman of the Committee. All directors were present in the meeting. The Managing Director, Mr. Jay Singh Bardia, receives remuneration, which is based on the recommendation of the board and within the ceilings fixed by the shareholders.

- a) **Remuneration Policy** : The Company decides the remuneration package of Senior Management members by emphasizing the current employment scenario of Remuneration package of the industry.

The company pays remuneration by way of salary, perquisites & allowances, incentives & commission (variable components) to its Managing Directors & Non-Executive Directors etc. Annual Increments if any are decided by the Remuneration Committee within the salary schedule as approved by the members and are effecting from 1st April 2007 annually.

It was unanimously decided by the Directors in the committee meeting held on 01.02.2013 not to take commission during the year.

- b) **Remuneration to Executive Director** :

Remuneration of the Managing Director for the year-ended 31.03.2013, which was approved by shareholders, is as follows:

Salary	Rs. 30,00,000
Commission	NIL
	Rs. 30,00,000

- c) **Remuneration to Non -Executive Director** :

Remuneration of non-executive Directors for the year ended March 31, 2013 is as follows:-

Name of the Directors	Sitting Fees (Rs.)	Others (Rs.)	Total (Rs.)
Mr. Pradeep Kumar Singh	5,000	NIL	5,000
Mr. T. C. Bachhawat	4,500	NIL	4,500
Mr. Tansukh Gulgulia	2,500	NIL	2,500

- d) **Details of the Shares of the Company held by directors as on March 31,2013 are as follows** :

Name of the Directors	No. of Shares held
Mr. Pradeep Kumar Singh	NIL
Mr. T.C. Bachhawat	1,60,849
Mr. Tansukh Gulgulia	38,000
Mr. Jay Singh Bardia	15,38,550

5. Shareholders /Investors Grievance Committee:

The Shareholders/Investors Grievance Committee reviews & redresses the investor / queries / grievances/complaints on the matter relating to the transfer of shares, non receipt of Annual Reports, Non receipt of dividend declared etc. The committee also looks into the matters relating to approval, transfers, transmission, consolidation and splitting of such certificates. The company adopts a policy of disposing of investor's complaint within a span of 15 days.

I. The Share Transfer Committee was re-constituted as Shareholders/Investors Grievance Committee on 08.12.2011 in compliance with the Clause 49 of the Listing Agreement with the Stock Exchange. The Shareholders/ Investors/ Grievance Committee met on 24 different occasions during the year under consideration. The meetings are held on 10th and 25th of every calendar month and if there is a public holiday on that day then meeting holds on the immediately next working date.

II. The Composition of and meetings attended by the members are as under:

Name of the Directors	No. of Meeting attended
Mr. Tansukh Gulgulia Chairman of the Committee	24
Mr Pradeep Kumar Singh	24

Mr. Tarun Kumar Das was Company Secretary of the Company who acted as a Compliance Officer of the committee.

III. Investors Grievance Redressal :

No. of Complaints pending at the beginning of the financial year 2012-2013	:-	NIL
No. of Complaints received during the financial year 2012-2013	:-	2
No. of Complaints redressed during the financial year 2012-2013	:-	2
No. of Complaints pending at the end of the financial year 2012-2013	:-	NIL

IV. Break up of Investors Grievances received during the period:

Dividend related complaints	:	1
Share Certificate	:	0
Annual Report	:	1
Total	:	<u>2</u>

• Name, designation and address of Compliance Officer :

Mr. Tarun Kumar Das
Company Secretary
Krypton Industries Ltd.
410, Vardaan Building
25A, Camac Street
Kolkata-700 016
Tel : 033-2287-1366/1367
Fax : 033 2287 1084
E-mail : krypton @vsnl.com

The request for transfer/ dematerialisation of shares was carried out within the stipulated time period as per regulation of SEBI.

KRYPTON INDUSTRIES LIMITED

6. General Body Meeting

A. General Meetings :

Details of Place and Time of last three Annual General Meeting were given below:

YEAR	DATE	VENUE	TIME
2009-2010	29.09.2010	FALTA SPECIAL ECONOMIC ZONE Sector-1, Plot No. 31 & 32 Falta, 24-Parganas (S) Pin - 743 504, West Bengal	11.30 AM
2010-2011	28.09.2011	FALTA SPECIAL ECONOMIC ZONE Sector-1, Plot No. 31 & 32 Falta, 24-Parganas (S) Pin - 743 504, West Bengal	11.30 AM
2011-2012	28.09.2012	FALTA SPECIAL ECONOMIC ZONE Sector-1, Plot No. 31 & 32 Falta, 24-Parganas (S) Pin - 743 504, West Bengal	11.30 AM

B. Postal Ballot :

No Postal Ballot was conducted during the year.

7. Disclosures

A) Related party transactions:

The Related Party transactions in ordinary course of business have been disclosed in the Note 40 of the Financial accounts. Company has not entered into any transaction of material nature with the promoters, directors, management, subsidiaries or relatives, etc that may have potential conflict with the interests of the company at large.

B) Compliances by the Company:

During the last 3 years no penalties or strictures have being imposed on the company by the Stock Exchanges, SEBI or any other statutory authority on any matter related to Capital Markets.

C) Share Capital Reconciliation Audit :

CA. Hari Ram Agarwal, partner of M/s H. R. Agarwal & Associates, a Practicing Chartered Accountant, carried out a Share Capital Reconciliation Audit in accordance with SEBI circular D & CC /FITTC/ CIR -16/2002 Dated 31.12.2002 during the year on quarterly basis to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CSDL) and the total issued and listed capital. Any difference in aggregate is reported in quarterly reports. Moreover, number of requests confirmed after 21 days and / or number of requests pending beyond 21 days during /at the end of each quarter by / with RTA is reflected in the report along with reasons for delay, if any.

8. Means of Communication :

- i) The company regularly intimates un-audited quarterly financial results to the stock exchanges immediately after these on record by the Board. These Financial results are normally published in The Economics Times / Business Standard and Kalantar. The results are not sent individually to the shareholders.
- ii) Management Discussion and Analysis Report forms part of the Report of Directors

9. General Shareholder Information

a) 23rd Annual General Meeting:

Date : 30th August, 2013
Time : 11:30 A.M.
Venue : FALTA SPECIAL ECONOMIC ZONE
Sector-1, Plot No. 31 & 32
Falta, 24-Parganas (S)
Pin - 743 504, West Bengal

b) Financial Calendar :

- i) Event : Date of approval by the Board for publication
 - First Quarter Results : 13th August, 2012
 - Half Yearly Results : 9th November, 2012
 - Third Quarter Results : 1st February, 2013
 - Final Audited Results : 29th May, 2013
 - ii) Posting of Annual Report : On or before 05/08/2013
 - iii) Last date of Receipt of Proxy Forms : 28th August, 2013 (within 11.30 A.M.)
- c) Date of Book Closure** : 20th August to 30th August, 2013
- d) Listing on Stock Exchanges** : Bombay Stock Exchange
Calcutta Stock Exchange
Delhi Stock Exchange
Jaipur Stock Exchange

The company confirms that it has paid annual listing fees for the year 2012-2013.

e) Stock Code / Symbols

- 1) Stock Exchange Codes
 - i) Bombay Stock Exchange, Mumbai : Krypton \523550
 - ii) The Calcutta Stock Exchange Association Ltd. : Physical K-025
 - iii) Jaipur Stock Exchange : Physical -1836
 - iv) Delhi Stock Exchange : NOT AVAILABLE
 - 2) ISIN No. : INE 951B01014
- f) Registrar & Transfer Agents** : **Maheshwari Datamatics Pvt. Ltd**
6, Mangoe Lane, 2nd Floor,
Kolkata -700 001
E-Mail: mdp@cal.vsnl.net.in
Phone : 033 2243 5809/5029
Fax : 033 2248 4787

KRYPTON INDUSTRIES LIMITED

However, keeping in view the convenience of shareholders, documents relating to shares continue to be received by the company as well as at the Registrar's Office.

g) Share Transfer Systems :

The physical shares received by the company for transfer are sent immediately to the Registrar and Share Transfer Agent of the company. The Registrar on receipt of share for transfer verifies the same and sends them to the Compliance Officer for necessary action on bi-monthly basis. The shares received for transfer are approved at Share transfer Committee Meetings which are generally held twice in a month. In case of transfer in Physical mode an option letter of simultaneous dematerialisation of shares is sent to the transferees immediately. If no reply is received in 30 days the share certificate duly endorsed are returned immediately to the shareholders. If dematerialisation confirmation is received then the shares are sent immediately to NSDL/CSDL for transfer in the Shareholders DP account. The Transfer of shares in the electronic mode is handled by the Registrar & Share Transfer agent.

h) Dematerialisation of shares :

The shares of the company are in compulsory demat segment and are available for trading in the depository system of both the National Securities Depository Limited & Central Depository Services (India) Limited. As on 31st March, 2013, equity shares of the company forming 69.378 % of the share capital of the Company stand Dematerialized.

i) Stock Market Data :

Monthly high and low quotations of shares traded at Bombay Stock Exchange (BSE) and performance in relation to BSE Sensex from April 2012 to March 2013 are as under:

Months	Krypton at BSE		BSE SENSEX	
	High (Rs)	Low (Rs)	High	Low
April, 2012	17.72	12.26	17,664.10	17,010.16
May, 2012	14.89	12.00	17,432.33	15,809.71
June, 2012	15.40	11.55	17,448.48	15,748.98
July, 2012	16.00	12.05	17,631.19	16,598.48
August, 2012	17.60	11.64	17,972.54	17,026.97
September, 2012	15.84	13.60	18,869.94	17,250.80
October, 2012	15.99	13.17	19,137.29	18,393.42
November, 2012	17.04	14.00	19,372.70	18,255.69
December, 2012	16.35	13.65	19,612.18	19,149.03
January, 2013	17.00	13.25	20,203.66	19,508.93
February, 2013	16.79	13.55	19,966.69	18,793.97
March, 2013	17.90	12.33	19,754.66	18,568.43

j) Distribution of Shareholding:

i) Category wise shareholding pattern as on 31.03.2013 was as under:

CATEGORY	NO.OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
PROMOTER'S HOLDING		
FOREIGN PROMOTERS	-	-
INDIAN PROMOTERS*	3855541	26.2333
NON-PROMOTERS HOLDING		
BANKS, FINANCIAL INSTITUTIONS,	200	0.0014
INSURANCE COMPANIES	-	-
(CENTRAL/STATE GOVT. INSTITUTIONS/NON-GOVT. INSTITUTIONS)		
MUTUAL FUNDS/UTI	7000	0.0476
OTHERS		
PRIVATE CORPORATE BODIES	2127172	14.4734
INDIAN PUBLIC	7472408	50.8426
NRIs/OCBs	1234809	8.4017
TOTAL	14697130	100

ii) DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2013

Nominal Value of Shares (Rs)	Share Holders		Share Amount	
	(Numbers)	%of Total	In Rs.	% of Total
(1)	(2)	(3)	(4)	(5)
Upto 5,000	7233	87.8538	9109320	6.1980
5001 to 10000	306	3.7167	2470330	1.6808
10001 to 20000	192	2.3321	2859750	1.9458
20001 to 30000	93	1.1296	2384930	1.6227
30001 to 40000	55	0.6680	1947070	1.3248
40001 to 50000	79	0.9596	3844820	2.6160
50001 to 100000	87	1.0567	6951700	4.7300
100001 & Above	188	2.2835	117403380	79.8818
Grand Total :	8233	100.0000	146971300	100.0000

k) Outstanding GDRs /ADRs/warrants or any Convertible Instruments, conversion date and likely impact on equity. Your Company has not issued any such warrants till date.

KRYPTON INDUSTRIES LIMITED

- l) Plant Location :** DIVISION - I (Tyre Division)
Falta Special Economic Zone
Sector-1, Plot No. 31 & 32
Falta, 24-Parganas (S)
Pin - 743 504, West Bengal
- DIVISION - II (Footwear Division)
Banganagar
Diamond Harbour Road
Falta, 24-Parganas (S)
Pin- 743 513, West Bengal
- DIVISION - III (Wheel Division)
Falta Special Economic Zone
Sector - 2, Plot No. 48
24-Parganas (S)
Pin - 743 504, West Bengal
Ph. : 03174-222262/67
- DIVISION - IV (Engineering Division)
Falta Special Economic Zone
Sector - 2
24-Parganas (S)
Pin - 743 504, West Bengal
Ph. : 03174-222602
- DIVISION - V (Plastic Division)
Falta Special Economic Zone
Sector - 2, Plot No. 49
24-Parganas (S)
Pin - 743 504, West Bengal
Ph. : 03174-222719

- m) Address for Correspondence:** M/s Krypton Industries Ltd
410, Vardaan Building, 25A, Camac Street,
4th Floor, Kolkata-700016
E-Mail: krypton @vsnl.com
Ph : 033 22871366/ 1367, Fax -033 22871084

Compliance with the Non Mandatory Requirements

i) The Board

Since the Chairman is holding executive position, he is entitled to re-imburement of expenses incurred in performance of his duties.

ii) Remuneration Committee

Discussed in Point No.4 of the Report on Corporate Governance

iii) Shareholders Rights

The Company's results are available on website www.corpfiling.co.in. A half yearly declaration of financial performance including summary of the significant events is presently not being sent to each household of the shareholders. However the Company's half yearly results are published in English Newspaper (having a wide circulation) and in Bengali newspaper.

iv) Audit qualifications

During the period under review, there is no audit qualification on company's financial statements.

v) Training of the Board Members

Presently, Company doesn't have any training programme.

vi) Mechanism for evaluating non-executive Board Members

Presently, company doesn't have such mechanism as contemplated for evaluating the performance of non-executive Board Members.

vii) Whistle Blower Policy

Presently, the company doesn't have any Whistle Blower Policy.

CEO / CFO CERTIFICATION
(Pursuant to Clause 49 of Listing Agreement)

The Board of Directors
KRYPTON INDUSTRIES LIMITED

Pursuant to Clause 49 of the Listing agreement, this is to certify that:

1. We have reviewed financial statements and the Cash Flow Statement for the year ended 31st March 2013, and to the best of our knowledge and belief;
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements might be misleading;
 - b) These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, there are no transactions entered into by the Company during the years, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibilities for establishing and maintaining internal control for financial reporting. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken for rectifying these deficiencies.
4. We have indicated to the Auditors and Audit Committee
 - a) Significant changes in internal control over financial reporting during the year.
 - b) Significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management, or an employee having a significant role in the company's internal control system over financial reporting.

For Krypton Industries Limited

Place: Kolkata
Date: 29.05.2013

Sd/-
Jay Singh Bardia
(Managing Director)

Sd/-
Panna Lal Bardia
(Chief Executive)

KRYPTON INDUSTRIES LIMITED

Declaration on Compliance of the Company's Code of Conduct

As provided under clause 49 of the Listing Agreement with the Stock Exchange, all Board members and Senior Management Personnel have affirmed compliance with code of conduct as applicable to them for the year ended 31st March, 2013.

For Krypton Industries Limited

Date: 29.05.2013

Jay Singh Bardia
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Krypton Industries Limited

We have examined the compliance of the conditions of Corporate Governance by **Krypton Industries Limited** for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination has been limited to a review of procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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.

For **JAGDISH AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 320253E

Place : Kolkata.
Dated : 29.05.2013

CA. J.P.AGARWAL
PARTNER
Membership No.055436

INDEPENDENT AUDITORS' REPORT

Statements

We have audited the accompanying financial statements of **Krypton Industries Limited** (referred to as "**The Company**"), which comprise the Balance Sheet as at 31st March , 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

KRYPTON INDUSTRIES LIMITED

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditors Report) Order, 2003 ("The Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For JAGDISH AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration no.320253E

Place: Kolkata.
Dated: The 29th Day of May, 2013

J.P.AGARWAL
PARTNER
Membership No.055436

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As per Company's policy, verification of fixed assets is being conducted in a phased programme by the management designed to cover all assets over a period of five years, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. The verification of assets due as per this programme has been carried out. No material discrepancies were noticed on such physical verification.
 - (c) In our Opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern assumption of the company is not affected.
- (ii) In respect of its inventories:
 - (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the record of inventories, we are of the opinion that, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - (a) The Company has not granted any loan during the year to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (b), (iii) (c) and (iii) (d) of paragraph 4 of the Order are not applicable.
 - (e) The Company had not taken any unsecured loan during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
- (iv) According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories, fixed assets and with regard to the sale of goods & services. During the course of our audit, no major weakness has been noticed in the underlying internal controls.
- (v) (a) Based on the Audit Procedure applied by us and according to information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to information and explanation given to us, the transactions made in pursuance of such contracts have been made at prices which are reasonable having regard to

KRYPTON INDUSTRIES LIMITED

prevailing market prices at the relevant time and the exceeding the value of ₹ 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.

- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of Paragraph 4 of the Order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) As explained to us, the statutory dues payable by the Company comprises of provident fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, cess and etc. According to the records of the Company and information and explanations given to us, the Company has been regularly depositing the aforesaid undisputed statutory dues with the appropriate authorities. There are no undisputed statutory dues as referred to above as at 31st March, 2013 outstanding for a period of more than six months from the date they become payable.
- (b) According to the records of the Company and information and explanations given to us, there are dues of income - tax aggregating ₹ 46,64,995/-, which have not been deposited on account of disputes, the details of which are set out below. We have been informed that there are no further dues in respect of income tax, sales tax and custom duty which have not been deposited on account of any dispute.

<u>Nature of Demand</u>	<u>Amount of Demand/Dispute</u>	<u>Amount Deposited</u>	<u>Forum where dispute is pending</u>
I. Income Tax (For the Company)	Disallowance of claim U/S 80 HHC	—	Appeal U/s 250 for Assessment Year 2002-03 Before Appellate Tribunal.
II. Income Tax (For the Company)	₹ 14, 58,561/-	₹ 2,50,000/-	Appeal u/s 246 A(1)(a) for Assessment Year 2003-04 Before Commissioner of Income Tax - Kolkata
III. Income Tax (For the Company)	₹ 30, 94,600/-	₹ 19,19,086/-	Appeal u/s 246 A(1)(a) for Assessment Year 2005-06 Before Commissioner of Income Tax - Kolkata
IV. Income Tax (For the Company)	₹ 1, 37,148/-	—	Appeal u/s 246 A for Assessment Year 2006-07 Before Commissioner of Income Tax - Kolkata
V. Income-tax (For the Company)	₹ 7,27,591/-	—	Appeal u/s 143(3) for Assessment Year 2004-05 before Commissioner (Appeals) Kolakta

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VI. Income Tax (For EWPL now Merged with the Company)	₹ 5,23,839/-	₹ 4,00,000/-	Appeal u/s 246 A for Assessment Year 2007-08 Before Commissioner of Income Tax - Kolkata
VII. Income-tax (For EWPL now Merged with the Company)	₹ 12,92,342/-	-	Appeal u/s 246 A for Assessment Year 2008-09 before Appellate Tribunal.

(x) The Company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and there is no cash loss in the immediately preceding financial year.

(xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to banks. The Company has not issued any debentures.

(xii) In our opinion and according to the explanations given to us and based on the information available, no loan and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) As the Company is not a chit fund / nidhi / mutual benefit funds / society. Therefore, the provisions of paragraph 4(xiii) of the Order are not applicable to the Company.

(xiv) As the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4(xiv) of the Order is not applicable.

(xv) In respect of guarantees given by the Company for loans taken by its subsidiaries (now merged with the company) from banks, the terms and conditions are prima facie not prejudicial to the interest of the Company.

(xvi) In our opinion, the Term Loan, have been applied for the purpose for which they were obtained.

(xvii) 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 - terms basis have been used for long - term investment except permanent working capital.

(xviii) As the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act, paragraph 4(xviii) of the Order is not applicable.

(xix) As the Company has not issued any debentures, paragraph 4(xix) of the Order is not applicable.

(xx) The company has made right issue during the year and has disclosed the end use of money received from right issue in point no (42) in notes to financial statements, and the same has been verified by us.

(xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that, no material fraud on or by the Company has been noticed or reported during the course of our audit during the year.

For **JAGDISH AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration no.320253E

Place: Kolkata.
Dated: The 29th Day of May, 2013

J.P.AGARWAL
PARTNER
Membership No.055436

KRYPTON INDUSTRIES LIMITED

Balance Sheet as at 31st March, 2013

	Note No.	As at 31/03/2013 (₹ in Thousands)	As at 31/03/2012 (₹ in Thousands)
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	'4'	146,971.30	116,110.80
Reserves and Surplus	'5'	139,710.72	92,674.34
		<u>286,682.02</u>	<u>208,785.14</u>
Non-Current Liabilities			
Long-term Borrowings	'6'	17,513.88	27,560.02
Deferred Tax Liabilities (Net)	'7'	13,609.66	3,762.19
Other Long-term Liabilities	'8'	4,027.45	4,420.80
		<u>35,150.99</u>	<u>35,743.01</u>
Current Liabilities			
Short-term Borrowings	'9'	112,452.17	83,711.35
Trade Payables	'10'	51,049.99	44,114.16
Other Current Liabilities	'11'	13,572.06	15,158.00
Short-term Provisions	'12'	1,942.39	182.02
		<u>179,016.61</u>	<u>143,165.53</u>
TOTAL		<u>500,849.62</u>	<u>387,693.68</u>
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	'13'	165,278.11	94,736.07
Capital Work-in-Progress	'14'	41,969.88	23,586.94
Non-Current Investments	'15'	925.33	10,296.33
Long-term Loans and Advances	'16'	10,628.34	29,714.19
Other Non-Current Assets	'17'	8,541.19	5,127.40
		<u>227,342.85</u>	<u>163,460.93</u>
Current Assets			
Inventories	'18'	125,427.77	88,514.97
Trade Receivables	'19'	89,972.01	67,486.59
Cash and Bank Balances	'20'	32,491.11	54,141.71
Short-term Loans and Advances	'21'	10,968.88	4,962.48
Other Current Assets	'22'	14,647.00	9,127.00
		<u>273,506.77</u>	<u>224,232.75</u>
TOTAL		<u>500,849.62</u>	<u>387,693.68</u>
Summary of significant accounting policies	'1'		
Note on Amalgamation	'2'		

The accompanying accounting notes are an integral part of the financial statements.

In terms of our attached report of even date
For **JAGDISH AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration no.320253E

Place: Kolkata.
Dated: The 29th Day of May, 2013

J.P.AGARWAL
PARTNER
Membership No.055436

KRYPTON INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended 31st March, 2013

	Note No.	Year Ended 31/03/2013 (₹ in Thousands)	Year Ended 31/03/2012 (₹ in Thousands)
INCOME			
Gross Revenue from Operations	'23'	428,377.55	327,760.79
Less: Excise Duty		<u>3,446.54</u>	<u>6,404.18</u>
Net Revenue from Operations		424,931.01	321,356.61
Other Income	'24'	<u>5,878.78</u>	<u>4,832.83</u>
Total Revenues		<u>430,809.79</u>	<u>326,189.44</u>
EXPENSES			
Purchases of Stock-in-Trade		16,601.11	23,329.94
Cost of Materials Consumed	'25'	222,342.76	188,068.09
Changes in Inventories	'26'	2,904.76	(1,072.48)
Employee Benefits Expenses	'27'	57,512.63	38,379.16
Power and Fuel	'28'	13,238.33	7,925.43
Finance Costs	'29'	16,583.69	12,756.42
Depreciation and Amortization	'30'	12,816.45	7,118.77
Other Expenses	'31'	<u>80,820.31</u>	<u>49,912.89</u>
Total Expenses		<u>422,820.04</u>	<u>326,418.22</u>
Profit/ (Loss) before Exceptional items and Tax		7,989.75	(228.78)
Exceptional Items	'32'	<u>-</u>	<u>13,741.82</u>
Profit before Tax		7,989.75	(13,970.60)
Tax Expenses:	'33'		
Current Tax		3,169.90	2,429.03
Deferred Tax		<u>829.43</u>	<u>800.85</u>
Profit/ (Loss) for the period		<u>3,990.42</u>	<u>(17,200.48)</u>
Earnings per Equity Share:			
Basic & Diluted EPS (₹)	'38'	0.27	(1.55)
Summary of significant accounting policies	'1'		
Note on Amalgamation	'2'		

The accompanying accounting notes are an integral part of the financial statements.

In terms of our attached report of even date
For **JAGDISH AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration no.320253E

Place: Kolkata.
Dated: The 29th Day of May, 2013

J.P.AGARWAL
PARTNER
Membership No.055436

KRYPTON INDUSTRIES LIMITED

Cash Flow Statement for the year ended 31st March, 2013

	Year ended 31/03/2013 (₹ in Thousands)	Year ended 31/03/2012 (₹ in Thousands)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	7,989.75	(13,970.60)
Adjustment for :		
Finance Costs	16,583.69	12,756.42
Depreciation and Amortization Expenses	12,816.45	7,118.77
Loss/ (Gain) on sale of fixed assets	-	155.35
Preliminary Expense Written Off	373.00	-
Balance written off	(597.55)	-
Income from Investing Activities	(5,085.20)	(5,197.95)
Loss on sale of Subsidiary (Exceptional Item)	-	13,741.82
	<u>24,090.39</u>	<u>28,574.41</u>
Operating profit before working capital changes	32,080.14	14,603.81
Changes in working Capital:		
Inventories	(1,895.41)	(9,731.45)
Trade and other Receivables	1,323.93	(3,906.01)
Trade and other Payables	(16,868.76)	731.45
	<u>(17,440.24)</u>	<u>(12,906.01)</u>
Cash generation from Operation	14,639.90	1,697.80
Payment of Direct Taxes	(4,206.79)	(4,772.41)
Net Cash generated/ (used) - Operating Activities	<u>10,433.11</u>	<u>(3,074.61)</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(7,127.44)	(28,996.27)
Capital work in progress	(18,382.94)	(23,586.94)
Sale of Fixed Assets	-	160.00
Purchase of Investments	(100.00)	-
Sale of Investments	400.00	15,357.49
Proceeds/ Repayment of Loans from/to Body Corporate (Net)	(5,105.02)	7,057.47
Decrease in short term provision	1,479.97	(178.52)
Increase in long term loans and advances and non current asset	21,734.90	(3,031.48)
Decrease in other long term liabilities and other liabilities	(9,449.75)	1,530.64
Interest Received	6,943.58	3,272.17
Net Cash Generated/ (Used) - Investing Activities	<u>(9,606.70)</u>	<u>(28,415.44)</u>

**KRYPTON INDUSTRIES
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C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Shares	-	109,660.20
Repayment of Long-term Borrowings	(20,543.77)	(4,141.85)
Proceeds/ Repayment of Short-term Borrowings (Net)	10,465.40	(13,270.14)
Finance Cost Paid	(16,495.32)	(13,409.80)
Dividend Paid (includes amount transferred to Investor Education & Protection Fund)	(925.37)	(878.99)
Net Cash Generated/ (Used) - Financing Activities	(27,499.06)	77,959.42
Net Increase/ (Decrease) in Cash and Cash Equivalents	(26,672.65)	46,469.37
Add : Opening Cash and Cash Equivalents	54,141.71	7,672.34
Add : On Amalgamation	5,022.05	-
Closing Cash and Cash Equivalents	32,491.11	54,141.71

Notes :

1. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 "Cash Flow Statement" as specified in the Companies (Accounting Standard) Rule 2006.
2. Figures have been regrouped/ rearranged wherever necessary.

In terms of our attached report of even date
For **JAGDISH AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration no.320253E

Place: Kolkata.
Dated: The 29th Day of May, 2013

J.P.AGARWAL
PARTNER
Membership No.055436

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

1. SIGNIFICANT ACCOUNTING POLICIES:

(a) BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention, except stated otherwise, on an accrual basis and in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

(b) USE OF ESTIMATES

The preparation of the Financial Statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the Financial Statements, and the reported amounts of revenue and expenses during the reported period. Actual result could differ from those estimates.

(c) FIXED ASSETS AND CAPITAL WORK-IN-PROGRESS

- (i) All fixed assets are valued at Cost less accumulated Depreciation.
- (ii) Capital Work-in-Progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

(d) DEPRECIATION

- (i) Depreciation on fixed assets has been provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- (ii) In the case of Moulds, the cost of Moulds is being amortised over the estimated life of the Moulds.
- (iii) Depreciation on fixed assets are accounted for on pro-rata basis with reference to date of use / disposal.

(e) INVENTORIES

- (i) Finished Goods - At cost or net realizable value, whichever is lower.
- (ii) Trading Goods - At cost or net realizable value, whichever is lower.
- (iii) Raw Materials, Stores, Spare Parts, Packing Materials & Work-In-Progress - At cost.
- (iv) Raw Material - Upper (Produced) - At Cost
- (v) The values of Finished Goods include Excise Duty, where applicable

(f) EMPLOYEE BENEFITS

- (i) Short Term Employee Benefits: (i.e. benefits payable within one year) are recognized in the period in which employee services are rendered.
- (ii) Post Employment and other Long Term Employee Benefit: In respect of Gratuity, the Company's contribution to the Group Gratuity - cum - Life Insurance Scheme under Cash accumulation System of Life Insurance Corporation of India is charged against the revenue, on receipt of demand.

(g) PROVISIONS

Provisions are recognised where reliable estimate can be made for probable outflow of resources to settle the present obligation as a result of past event and the same is reviewed at each Balance Sheet date.

Notes to the Financial Statements as at and for the year ended 31st March 2013

(h) FOREIGN CURRENCY TRANSACTIONS

- (i) Foreign Currency transactions are recorded at the exchange rates prevailing on the date of transaction.
- (ii) At each Balance sheet date, monetary foreign currency items are reported using closing rates.
- (iii) Exchange difference arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.

(i) EXCISE DUTY/SERVICE TAX AND SALES TAX/VALUE ADDED TAX

Excise duty/Service Tax is accounted on the basis of both, payments made in respect of goods cleared/ services provided as also goods lying in warehouses

(j) RECOGNITION OF INCOME AND EXPENDITURE

Sales are recognized when goods are supplied and are recorded net of Trade discount and other Taxes. Other Incomes and Expenses are accounted for on accrual basis and provision is made for all known losses and expenses. Interest Income is recognized on time proportion basis taking into account the amount outstanding and rates applicable

(k) CONTINGENT LIABILITIES

Contingent Liabilities are not provided for in the Accounts and are shown separately in notes to financial Statements.

(l) INVESTMENTS

Investments, which are readily realisable and intended to be held for not more than one year the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. The portion of long term investment expected to be realised within twelve months after the reporting date are disclosed under current investments as per the requirement of revised schedule VI.

(m) BORROWING COSTS

Borrowing cost is recognized in the period to which they relate and is charged to Statement of Profit and Loss.

(n) TAXATION

Provision for Tax is made for both current and deferred taxes. Current Tax is provided on the taxable income of the company using the applicable tax rates and tax laws.

Deferred tax assets and liabilities arising on account for timing differences, which are capable of reversal in subsequent periods are recognised using tax rates and tax laws, which have been enacted or substantively enacted.

(o) EARNINGS PER SHARE

Annualized Earnings Per Share (Basic and Diluted) is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

2. NOTE ON AMALGAMATION:

- (a) Eco Wheels Pvt. Ltd. (EWPL) (a subsidiary of the Company), Barons Polymers Pvt. Ltd. (BPPL) and Krypton Tyres Ltd. (KTL) ("the Transferor Companies") together with the Company had filed Applications under Sections 391-394 of the Companies Act, 1956, before the Hon'ble High Court at Calcutta for their amalgamation with the Company with effect from 1st April, 2011 ("the appointed date"). Pending sanction by the Hon'ble High Court, the Scheme of amalgamation had not been given effect in the financial statements of the Company as at and for the previous year ended 31.03.2012. The Hon'ble

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

High Court at Calcutta has since sanctioned the Scheme of amalgamation ("the Scheme") by its order dated 28.02.2013. The Scheme has become effective upon filing of a certified copy the Hon'ble High Court's order with the Registrar of Companies on 19.03.2013. On coming into effect of the Scheme, the Transferor Companies stand amalgamated with the Company on a going concern basis from the appointed date i.e. 01.04.2011.

- (b) Eco Wheels Pvt. Ltd. was engaged in manufacture of PU Tyres, Wheel Chairs and other Rehabilitation aids. Barons Polymers Pvt. Ltd. was engaged in manufacture of Plastic Rim, Fork and Other Plastic Materials. Krypton Tyres Ltd. was engaged in trading of Tyres.
- (c) The said amalgamation has been accounted for under the "Pooling of Interests" method prescribed by the Accounting Standard 14 'Accounting for Amalgamations' as notified by the Companies (Accounting Standards) Rules, 2006. As per the terms of the Scheme, all the assets and liabilities of the Transferor Companies have been transferred to the Company at their respective book values as reflected in books of the Transferor Companies, and all inter-company balances have been cancelled.
- (d) The shares held by the Company in the Transferor Companies stand cancelled. The inter-company share-holdings in the Transferor Companies also stand cancelled. As per the terms of the Scheme, the Company has issued 3086050 fully paid-up equity shares of ₹10/- each to the shareholders of the Transferor Companies as per particulars given below:-

Transferor Company	Description and Number Shares issued in the Company	Description and Number Shares Transferor Company exchanged	Total number of Shares issued in the Company
EWPL	9 fully paid-up equity shares of ₹ 10/- each	For every 2 fully paid-up equity shares of ₹ 10/- each held in EWPL	1228050
BPPL	1 fully paid-up equity shares of ₹ 10/- each	For every 2 fully paid-up equity shares of ₹ 10/- each held in BPPL	200000
KTL	1 fully paid-up equity shares of ₹ 10/- each	For every 1 fully paid-up equity shares of ₹ 10/- each held in KTL	1658000

- (e) As per the order of the Hon'ble High Court and Accounting Standard 14, the difference of (₹ 7551.50) ('000) arising out of amalgamation has been adjusted with the balance in Capital Reserve Account to the extent of ₹4457 ('000). The remaining deficit of ₹3094.50 ('000) have been adjusted with other Reserves and Surplus.
- (f) As the Scheme is with effect from the appointed date i.e. 01.04.2011, the aggregate net profit (after tax) of the Transferor Companies for the period from 01.04.2011 to 31.03.2012 amounting to ₹7064.31 ('000) has been added to the opening balance in the Profit & Loss Account of the Company as at 01.04.2012, and the transactions of the Transferor Companies for the current year are reflected in Financial Statements of the Company for the current year. The Reserves and Surplus of the Company as per the Balance-sheet as at for 31.03.2012 do not reflect the effect of amalgamation. Had the amalgamation been given effect to, the Reserves and Surplus would have been ₹ 135720.30 ('000).
- (g) As a result of the above, figures of the current year are not comparable with those of the previous year.
3. The Company does not have any subsidiary as at 31.03.2013. Eco Wheels Pvt. Ltd., a subsidiary of the Company, amalgamated with the Company as per the order dated 28.02.2013 of the Hon'ble High Court at Calcutta. Krypton Developers Ltd. (KDL) ceased to be a subsidiary, upon sale of its shares by the Company on 30.03.2013. The shares of KDL were sold at the carrying amount so there is no profit/loss on such sale. Hence, the Company is not required to prepare any Consolidated Financial Statements. However KDL's gross revenue upto 30.03.2013 was ₹ 51.41 ('000) and expenses were ₹ 60.52 ('000) resulting in net loss of ₹ 9.11 ('000).

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

	As at 31/03/2013 (₹ in Thousands)	As at 31/03/2012 (₹ in Thousands)
4. Share Capital :		
Authorized Shares :		
2,16,00,000 (Previous year 1,50,00,000)		
Equity Shares of ₹ 10 each	<u>216,000.00</u>	<u>150,000.00</u>
Issued, Subscribed and Paid-up Shares :		
14697130 (Previous year 1,16,11,080)		
Equity Shares of ₹ 10 each of full paid	<u>146,971.30</u>	<u>116,110.80</u>

A. Reconciliation of Shares outstanding at the beginning and at the end of year are given below :

	2012-13		2011-12	
	Numbers	(₹ Thousands)	Numbers	(₹ Thousands)
Equity Shares outstanding at the beginning of the year	11,611,080	116,110.80	4,300,400	43,004.00
Add: Equity Shares Issued during the year under the Scheme of Merger [Refer Note 2(d)]	3,086,050	30,860.50	7,310,680	73,106.80
Less: Equity Shares bought back/ redeemed during the year	-	-	-	-
Equity Shares outstanding at the end of the year	14,697,130	146,971.30	11,611,080	116,110.80

B. Terms/Rights attached to Equity Shares :

The company has only one class of equity shares having a par value of ₹10 per share. Each share holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuring Annual General Meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

C. Detail of shareholder holding more than 5 percent shares of the Company as on reporting date are given below :

Name of shareholder	As at 31/03/2013		As at 31/03/2012	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
Jay Singh Bardia	1,538,550	10.47%	1,046,500	9.01%
Panna Lal Bardia	1,351,713	9.20%	870,419	7.50%

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

	As at 31/03/2013 (₹ in Thousands)	As at 31/03/2012 (₹ in Thousands)
5. Reserves and Surplus :		
a) Capital Reserve		
Opening Balance	1,500.00	1,500.00
Add: Transferred from Transferor Companies	2,957.00	-
Less: Loss Adjustment under Amalgamation [Refer Note 2(e)]	<u>(4,457.00)</u>	<u>-</u>
(A)	<u>-</u>	<u>1,500.00</u>
b) General Reserve	(B) <u>5,707.51</u>	<u>5,707.51</u>
c) Securities Premium Account	(C) <u>36,553.40</u>	<u>36,553.40</u>
d) Surplus/ (deficit) in the Statement of Profit and Loss		
Opening Balance	48,913.43	66,113.91
Add: Profit/(loss) for the period	3,990.42	(17,200.48)
Less: Loss Adjustment under Amalgamation [Refer Note 2(e)]	<u>(3,094.50)</u>	<u>-</u>
Add: Transferred from Transferor Companies [including Net Profit for the Period 1.04.2011 to 31.03.2012 ₹ 7064.31 (in Thousands)]	<u>47,640.46</u>	<u>-</u>
Net surplus / (deficit) in the statement of profit & Loss	(D) <u>97,449.81</u>	<u>48,913.43</u>
Total Reserve and Surplus (A+B+C+D)	<u>139,710.72</u>	<u>92,674.34</u>

6. Long-term Borrowings

	Non Current Maturities		Current Maturities	
	31.03.2013 (₹ Thousands)	31.03.2012 (₹ Thousands)	31.03.2013 (₹ Thousands)	31.03.2012 (₹ Thousands)
Term Loans :				
From Banks (Secured)	-	-	-	4,216.09
From Other Parties (Unsecured)	16,423.77	26,133.17	31,099.79	18,199.81
Car Loan (Secured)	<u>1,090.11</u>	<u>1,426.85</u>	<u>607.28</u>	<u>791.85</u>
	17,513.88	27,560.02	31,707.07	23,207.75
Secured Borrowings	1,090.11	1,426.85	607.28	5,007.94
Unsecured Borrowings	16,423.77	26,133.17	31,099.79	18,199.81
Amount disclosed under the head				
Short term borrowings "(Note 9)"	<u>-</u>	<u>-</u>	<u>(31,707.07)</u>	<u>(23,207.75)</u>
	<u>17,513.88</u>	<u>27,560.02</u>	<u>-</u>	<u>-</u>

A. Car loan from HDFC Bank was taken during the financial year 2010-2011 and carries interest @ 8.75% p.a. the loan is repayable in 60 monthly installment of ₹ 51.59 (in '000), inclusive of interest from the date of loan. The car loan is secured by hypothecation of Mercedes Car itself.

B. The Car Loan from ICICI Bank was taken during the Financial Period 2012-13 and carries interest @11.25 % p.a. The loan is repayable as per term each along with interest from the date of loan. This loan is secured by hypothecation of the Car. These loans were further secured by Equitable Mortgage of Leasehold land at Falta and further secured by personal guarantee of Mr. J. S. Bardia and Mr. T. S. Gulgulia , Directors of the company.

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

	As at 31/03/2013 (₹ in Thousands)	As at 31/03/2012 (₹ in Thousands)
7. <u>Deferred Tax Liabilities (Net)</u>		
Deferred Tax Liabilities		
Opening Balance	3,762.19	2,961.34
Acquired through Amalgamation	9,018.04	-
Related to Fixed Assets and Amortization Expenses	829.43	800.85
Deferred Tax Liabilities (Net)	13,609.66	3,762.19
8. <u>Other Long-term Liabilities</u>		
Trade Payables	284.38	716.06
Commission Payable	3,054.13	3,054.13
Other Liabilities	688.94	650.61
	4,027.45	4,420.80
9. <u>Short-term Borrowings</u>		
Current Maturities of Long term borrowings (A)	31,707.07	23,207.75
Cash Credit (Secured)	57,301.32	43,534.69
L/C Margin	12.28	-
Packing Credit (Secured)	23,431.50	16,968.91
	112,452.17	83,711.35

- A.** For current Maturities of long term borrowings please refer to Note no.6.
- B.** The cash credit from Bank of Baroda of Tyre Division was reviewed during the financial year 2012-13 and carries floating interest @ Base Rate + 4.25% i.e. 14.75% p.a. with monthly rests subject to Limit of ₹ 50 Lacs. The loan is repayable as per term each along with interest, from the date of loan. The term loan is secured by hypothecation of both present and future stock of raw material, work in progress, Finished goods, consumable spares, hypothecation of Book Debts, Notarized Power of Attorney for Book Debts, Equitable mortgage of Land and building/Factory Shed and hypothecation of Plant & Machinery of the company lying in and/or stored and / or installed at any place in India or abroad. Further the loans are secured by personal guarantee of Mr J.S Bardia , the managing Director of the company alongwith Personal guarantee of Mr. T.S Gulgulia , Director the company and Mr P.C. Daga. The company has not yet accepted the sanction letter and is under negotiation with the Bank.
- C.** The packing credit from Bank of Baroda of Tyre Division was reviewed during the financial year 2012-13 and carries floating interest @ Base Rate + 1.25% i.e. 11.75% p.a. for PC below 270 Days (Base Rate +7% if above 270 days) with monthly rests subject to Limit of ₹ 100 Lacs. The loan is secured by hypothecation of both present and future stock of raw material, work in progress, Finished goods ,Lodgement of Letter of Credit/Company Order, WTPCG of ECGC, Equitable mortgage of Land and building/Factory Shed . Further the loans are secured by personal guarantee of Mr J.S Bardia, the managing Director of the company alongwith Personal guarantee of Mr. T.S Gulgulia , Director the company and Mr P.C. Daga. The company has not yet accepted the sanction letter and is under negotiation with the Bank.
- D.** The cash credit from Bank of Baroda of Footwear Division was reviewed during the financial year 2012-13 and carries floating interest @ Base Rate + 4.25% i.e. 14.75% p.a. with monthly rests (as per Sanction Letter dated 20.01.2013) with a Limit of ₹ 400 Lacs. The loan is repayable as per term each along with interest, from the date of loan. The term loan is secured by hypothecation of both present and future stock of raw material, work in progress, Finished goods ,consumable spares , hypothecation

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

of Book Debts , Power of Attorney for Book Debts, B.P. Undertaking, D.P. Undertaking, Equitable mortgage of Land and building/Factory Shed and hypothecation of Plant & Machinery of the company lying in and/or stored and / or installed at any place in India or abroad. Further the loans are secured by personal guarantee of Mr J.S Bardia , the managing Director of the company alongwith Personal guarantee of Mr. T.S Gulgulia , Director of the company and Mr P.C. Daga. There Company has not yet accepted the Sanction Letter and is under negotiation with the Bank.

- E.** The Packing credit from Bank of Baroda of Wheel Division was taken during the financial Year 2011-12 and carries interest rate of base rate+1.25% (i.e.,12.00)% p.a at a floating rate with monthly rests. The loan is repayable as per term each along with interest,from the date of loan. This loan is secured by hypothecation of stocks, D.P. Note, Letter of Continuing Security, Export Trust Receipt, Packing Credit Undertaking, Undertaking to pay penal rate of interest, Letter of Undertaking for adjusting P/C Drawings and WTPCG of ECGC . These loans were further secured by Equitable Mortgage of Leasehold land at Falta and structure standing thereon in the name of the company and lien on FDR and further secured by personal guarantee of Mr J.S Bardia and Mr. T.S Gulgulia , Directors the company and Binod Kumar Sipani. (As per sanction letter dated 25/04/2012 in the name of Eco Wheels Pvt. Ltd., now merged with the Company).
- F.** The Cash credit from Bank of Baroda of Wheel Division was taken during the financial Year 2011-12 and carries interest rate of base rate+3.5% (i.e.,14.25) % p.a at a floating rate with monthly rests. The loan is repayable as per term each along with interest,from the date of loan. This loan is secured by hypothecation of stocks of Raw Material, W.I.P, Finished Goods and Spares of the co., D.P. Note, Letter of Continuing Security, Hypothecation of Book Debts upto 90 days, Irrevocable Power of Attorney for Book Debts (to be notarized), Undertaking cum declaration cum authority and Extension of charge on Plant & Machinery . These loans were further secured by Equitable Mortgage of Leasehold land at Falta and structure standing thereon in the name of the company, lien on FDR and further secured by personal guarantee of Mr J.S Bardia and Mr. T.S Gulgulia , Directors the company and Binod Kumar Sipani. (As per sanction letter dated 25/04/2012 in the name of Eco Wheels Pvt. Ltd., now merged with the Company).
- G.** The Cash credit from Bank of Baroda of Engg. Division was taken during the financial Year 2011-12 and carries interest rate of base rate+3.5% (i.e.,14.25) % p.a at a floating rate with monthly rests. The loan is repayable as per term each along with interest,from the date of loan. This loan is secured by hypothecation of stocks of Raw Material, W.I.P, Finished Goods and Spares of the co., D.P. Note, Letter of Continuing Security, Hypothecation of Book Debts upto 90 days, Irrevocable Power of Attorney for Book Debts (to be notarized), Undertaking cum declaration cum authority and Extension of charge on Plant & Machinery . These loans were further secured by Equitable Mortgage of Leasehold land at Falta and structure standing thereon in the name of the company, lien on FDR and further secured by personal guarantee of Mr J.S Bardia and Mr. T.S Gulgulia , Directors the company and Binod Kumar Sipani. (As per sanction letter dated 25/04/2012 in the name of Eco Wheels Pvt. Ltd., now merged with the Company).
- H.** The Cash Credit from Bank of Baroda of Plastic Division was renewed during the financial year 2012-13 and carries interest rate of [Base Rate+3.25%] i.e.,13.5% p.a. with Monthly ests a Limit of ₹ 50 Lacs.Cash Credit Limit with Bank of Baroda are secured by hypothecation of all kinds of Stocks, book debts, coverage of WTPCG & WTPSG of ECGS of the Company. This loan was further secured by Equitable Mortgage of Factory Land & Building, Plant & Mahinery at SEZ Falta, Extension of Margin on NFB Facilities to also secure the other facilities and further secured by Personal Gurantee of Mr. Jay Singh Bardia, Director of the Company and Mr. Punam Chand Buchha, Mr. Binod Kumar Sipani and Mr. Sunil Jain. (As per the Sanction Letter in the name of Barons Polymers Pvt. Ltd., now merged with the Company)

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

	As at 31/03/2013 (₹ in Thousands)	As at 31/03/2012 (₹ in Thousands)
10. Trade Payables		
Payable to Micro, Small and Medium Enterprises (See Note No. 39)	20.50	-
Trade Payables	<u>51,029.49</u>	<u>44,114.16</u>
	<u>51,049.99</u>	<u>44,114.16</u>
11. Other Current Liabilities		
Interest accrued and due on Unsecured borrowings	1,522.62	1,434.25
Unpaid/ Unclaimed Dividends	1,732.81	2,658.18
Customers' Credit Balances and Advances against orders	371.64	230.98
Statutory dues Payables		
Tax deducted at source payable	712.46	522.06
Provident Fund, ESI, and other Government Charges	547.93	333.20
Excise Duty Payable	53.04	59.07
WB Professional Tax Payable	7.39	-
Duties and taxes	712.34	36.67
Other Liabilities	<u>7,911.83</u>	<u>9,883.59</u>
	<u>13,572.06</u>	<u>15,158.00</u>

Note: Statutory Dues Payables include the dues, due in the name of the Transferor Companies, now merged with the company pursuant to the Scheme of Amalgamation (Merger)

12. Short-term Provisions		
Provision for Current Tax	1,615.70	-
Provision for Audit Fees	<u>326.69</u>	<u>182.02</u>
	<u>1,942.39</u>	<u>182.02</u>

13. Tangible Assets

A. Summary of cost and net carrying amount of each class of tangible assets are given below :

	Cost		Accumulated Depreciation		Net Carrying Amount	
	31/03/2013 (₹ Thousands)	31/03/2012 (₹ Thousands)	31/03/2013 (₹ Thousands)	31/03/2012 (₹ Thousands)	31/03/2013 (₹ Thousands)	31/03/2012 (₹ Thousands)
Freehold Land	3,677.51	3,677.51	-	-	3,677.51	3,677.51
Buildings	79,071.66	47,920.44	14,770.88	11,912.03	64,300.78	36,008.41
Plant and Machinery	149,773.73	104,637.58	70,815.04	62,969.42	78,958.69	41,668.16
Furniture and Fixtures	8,768.22	7,685.73	3,852.60	3,457.99	4,915.62	4,227.74
Electrical Installations	10,727.91	6,155.00	3,729.58	3,001.54	6,998.33	3,153.46
Vehicles	7,322.35	6,873.02	2,719.60	2,079.71	4,602.75	4,793.31
Office Equipment	5,411.06	4,658.67	3,721.22	3,451.19	1,689.84	1,207.48
Computer	214.00	-	79.41	-	134.59	-
	<u>264,966.44</u>	<u>181,607.95</u>	<u>99,688.33</u>	<u>86,871.88</u>	<u>165,278.11</u>	<u>94,736.07</u>

(a) Reconciliation of the gross and net carrying amounts of assets at the beginning and year ending 31/03/2012 are as under :

Cost	As at 31/03/2012 (₹ Thousands)	Additions* (₹ Thousands)	Disposals (₹ Thousands)	Other Adjustments (₹ Thousands)	As at 31/03/2013 (₹ Thousands)
Freehold Land	3,677.51	-	-	-	3,677.51
Buildings	77,069.39	2,002.27	-	-	79,071.66
Plant and Machinery	146,113.27	3,660.46	-	-	149,773.73
Furniture and Fixtures	8,468.09	300.13	-	-	8,768.22
Electrical Installations	10,171.50	556.41	-	-	10,727.91
Vehicles	6,943.84	378.51	-	-	7,322.35
Office Equipment	5,191.02	220.04	-	-	5,411.06
Computer	204.38	9.62	-	-	214.00
	<u>257,839.00</u>	<u>7,127.44</u>	<u>-</u>	<u>-</u>	<u>264,966.44</u>
Previous Year	153,128.50	28,996.27	516.82	-	181,607.95

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

Accumulated Depreciation	As at	Additions	Deductions/	As at
	31/03/2012		Other Adjust	31/03/2013
	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)
Buildings	11,912.03	2,858.85	-	14,770.88
Plant and Machinery	62,969.42	7,845.62	-	70,815.04
Furniture and Fixtures	3,457.99	394.61	-	3,852.60
Electrical Installation	3,001.54	728.04	-	3,729.58
Vehicles	2,079.71	639.89	-	2,719.60
Office Equipment	3,451.19	270.03	-	3,721.22
Computer	-	79.41	-	79.41
	<u>86,871.88</u>	<u>12,816.45</u>	-	<u>99,688.33</u>
Previous Year	79,954.58	7,118.77	201.47	86,871.88

* Opening Balance includes Tangible Assets acquired pursuant to the Scheme of Amalgamation (Merger)

The title of Buildings, Vehicles acquired pursuant to the Scheme of Amalgamation (Merger) are yet to be transferred in the Name of the Company.

	As at 31/03/2013 (₹ in Thousands)	As at 31/03/2012 (₹ in Thousands)
14. Capital Work-in-Progress		
Cost of civil construction	19,281.92	2,100.00
Land	11,714.52	11,714.52
Plant & Machinery	9,510.89	9,510.89
Computer & Software	163.29	-
Electrical Installation	983.33	-
Preliminary & Pre Operative Expenses	315.93	261.53
	<u>41,969.88</u>	<u>23,586.94</u>
15. Non-Current Investments		
Other Investments		
Investments in Equity Instruments (Unquoted) - (a)	202.00	10,073.00
Investments in Mutual Funds (Quoted) - (b)	500.00	-
Investments in Others		
Gold Coins	223.33	223.33
	<u>925.33</u>	<u>10,296.33</u>

A. Disclosure with regard to investments in bodies corporate are given below:

(a)	Other Investment - Unquoted	Face value per Unit	As at 31/03/2013		As at 31/03/2012		
			Numbers	(₹ Thousands)	Numbers	(₹ Thousands)	
i.	Investments in Equity Instruments						
	Eco Wheels Pvt. Ltd.						
	(Subsidiary, since Amalgamated)	Others	₹ 10	-	-	827,100	8,271.00
	Krypton Developers Limited	Others	₹ 10	9,400.00	94.00	49,400	494.00
	Barons Polymers Pvt. Ltd.	Others	₹ 10	-	-	100,000	1,000.00
	Krypton Tyres Ltd.	Others	₹ 10	-	-	20,000	200.00
	I Care International Pvt. Ltd.	Others	₹ 10	10,800.00	108.00	10,800	108.00
				<u>20,200</u>	<u>202.00</u>	<u>1,007,300</u>	<u>10,073.00</u>

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

	Face value per Unit	As at 31/03/2013		As at 31/03/2012	
		Numbers	(₹ Thousands)	Numbers	(₹ Thousands)
(b) Investment in Others - Quoted					
i. Investments in Mutual Fund					
Franklin India High Growth (MF) Others	₹ 10	9779.951	100.00	-	-
Baroda Pioneer Infrastructure Fund Others	₹ 10	30000	300.00	-	-
Baroda Pioneer Banking & Financial Services Others	₹ 10	9985	100.00	-	-
		-	500.00	-	-

ii. **Aggregate amount and of quoted investments and aggregate market value of quoted investments are given below :**

	As at 31/03/2013 (₹ in Thousands)	As at 31/03/2012 (₹ in Thousands)
Aggregate amount of Quoted Investments	500.00	-
Aggregate market value of Quoted Investments	451.90	-

iii. Although the market value of certain investment is lower than cost, considering the strategic and long term nature of the investments and asset base of the investee companies, in the opinion of the management such decline is temporary in nature and no provision is necessary for the same.

16. Long-term Loans and Advances :

Capital Advances			
<i>Unsecured, Considered Good</i>	(A)	<u>1,143.00</u>	<u>2,945.32</u>
Security Deposits and interest on security deposits			
<i>Unsecured, Considered Good</i>	(B)	<u>2,587.39</u>	<u>1,810.09</u>
Loans and Advances to others			
<i>Unsecured, Considered Good</i>	(C)	<u>6,897.95</u>	<u>24,958.78</u>
Total (A+B+C)		<u><u>10,628.34</u></u>	<u><u>29,714.19</u></u>

17. Other Non-Current Assets :

Long Term Trade Receivables			
<i>Unsecured, Considered Good</i>	(A)	<u>7,049.19</u>	<u>3,262.40</u>
Unamortized Expenses			
	(B)	<u>1,492.00</u>	<u>1,865.00</u>
Total (A+B)		<u><u>8,541.19</u></u>	<u><u>5,127.40</u></u>

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

	As at 31/03/2013 (₹ in Thousands)	As at 31/03/2012 (₹ in Thousands)
18. Inventories :		
Raw Materials	50,074.83	37,233.70
Work-in-Progress	11,888.02	12,551.41
Consumable Stores	3,601.81	2,302.30
Finished Goods	37,740.35	21,119.66
Stock-in-Trade	2,336.70	484.85
Stores and Spares	9,299.64	3,305.93
Upper (produced Raw Material)	10,033.68	11,194.80
Packing Material	452.74	322.32
	<u>125,427.77</u>	<u>88,514.97</u>
19. Trade Receivables :		
Outstanding for a period exceeding six months		
<i>Unsecured, Considered Good</i>	12,141.07	13,676.47
Outstanding for a period less than six months		
<i>Unsecured, Considered Good</i>	77,830.94	53,810.12
	<u>89,972.01</u>	<u>67,486.59</u>
20. Cash and Bank Balances :		
Cash and Cash Equivalents		
Deposits maturing within 12 months	16,850.53	31,116.02
Balance with Banks :		
Current Account	3,026.52	15,128.98
Cash on hand	3,443.43	1,426.38
	<u>23,320.48</u>	<u>47,671.38</u>
Other Balances		
Balance with Banks :		
On Unclaimed Dividend Account	1,732.81	2,658.18
Margin Money Account	3,120.52	2,378.00
Balances/Deposits with Banks maturing after 12 months	4,317.07	1,342.52
EEFC A/c	0.23	91.63
	<u>9,170.63</u>	<u>6,470.33</u>
Total	<u>32,491.11</u>	<u>54,141.71</u>

Note : The Bank Account included above, acquired pursuant to the Scheme of Amalgamation (Merger) are yet to be transferred in the Name of the Company.

**KRYPTON INDUSTRIES
LIMITED**

Notes to the Financial Statements as at and for the year ended 31st March 2013

	As at 31/03/2013 (₹ in Thousands)	As at 31/03/2012 (₹ in Thousands)
21. <u>Short-term Loans and Advances</u>		
Loans and Advances to Others		
Unsecured, Considered Good	<u>4,897.43</u>	<u>1,895.80</u>
Advance Tax (including FBT) - (a)	<u>1,601.00</u>	<u>-</u>
Advance FSEZ Rent	<u>314.15</u>	<u>-</u>
Income Tax Deducted at Source - (b)		
Unsecured, Considered Good	<u>4,156.30</u>	<u>3,066.68</u>
	<u>10,968.88</u>	<u>4,962.48</u>

(a) Advance Tax includes amount paid by Transferor Company and have been included above pursuant to the Scheme Amalgamation.

(b) Income Tax Deducted at Source includes amount deducted in the name of Transferor Co. and have been included above pursuant to the Scheme Amalgamation.

22. Other Current Assets

Prepaid Insurance	54.61	-
Duties and taxes	14,419.66	9,127.00
Others	<u>172.73</u>	<u>-</u>
	<u>14,647.00</u>	<u>9,127.00</u>

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

	For year ended 31/03/2013 (₹ in Thousands)	For year ended 31/03/2012 (₹ in Thousands)
23. Revenue from Operations:		
Sale of Products		
M.C.P. Tyres & Armrest - Overseas	77,769.47	48,765.67
M.C.P. Tyres & Armrest - Exports	-	15,341.07
M.C.P. Tyres & Armrest - Domestic	91,489.27	35,273.68
Plastic Rim with Tyre & Components - Overseas	9,092.63	10,098.36
Plastic Rim with Tyre & Components - Domestic	1,020.97	-
Trading Goods - Overseas	16,091.44	21,459.37
Trading Goods - Domestic	8,124.12	4,396.71
Raw Material - Exports	-	1,431.62
Raw Material - Domestic	558.74	2.15
P.U. Shoe Sole - Domestic	63,578.04	71,743.33
P.U. Sandles - Domestic	102,968.53	103,672.29
Wheel Chair Parts - Domestic	11,794.36	7,186.05
Hospital Equipments - Domestic	614.34	-
Wheel Chair - Domestic	36,813.14	-
Crutch and Walking Stick - Domestic	2,659.94	-
Metal Parts - Overseas	347.49	-
Upper - Domestic	195.66	-
Packing Material - Domestic	118.28	-
Sale of Services		
Job Work charges	5,089.31	8,238.16
Other Operating Revenues		
Scrap Sales	51.82	152.33
Gross Revenue from Operations	<u>428,377.55</u>	<u>327,760.79</u>
Less: Excise Duty	3,446.54	6,404.18
Net Revenue from Operations	<u>424,931.01</u>	<u>321,356.61</u>
24. Other Income:		
Interest Income (a)	5,085.20	5,197.95
Profit/ (Loss) on Fixed Assets sold/ discarded (Net)	-	(155.35)
Prior Period Items (Net) - (b)	343.89	(336.90)
Other Non-Operating Income	449.69	127.13
	<u>5,878.78</u>	<u>4,832.83</u>
(a) Interest Income includes tax deducted at source amounting ₹ 463.91 (in '000) (Previous year ₹ 507.56 in '000)		
(b) Details of Prior Period Items (Net)		
Prior Period Income	403.95	-
Prior Period Expenses	(60.06)	(336.90)
	<u>343.89</u>	<u>(336.90)</u>

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

	For year ended 31/03/2013 (₹ in Thousands)	For year ended 31/03/2012 (₹ in Thousands)
25. <u>Cost of Materials Consumed :</u>		
Raw Material		
Opening Stock (includes Acquired through Amalgamation)	49,252.77	28,424.15
Add: Purchased	<u>223,674.61</u>	<u>198,214.28</u>
	272,927.38	226,638.43
Less: Cost of material sold	<u>509.79</u>	<u>1,336.64</u>
	272,417.59	225,301.79
Less: Closing Stock	<u>50,074.83</u>	<u>37,233.70</u>
	<u>222,342.76</u>	<u>188,068.09</u>
26. <u>Changes in Inventories:</u>		
Opening Inventories (Including acquired through Amalgamation)		
Work-in-Progress	12,551.41	6,837.38
Finished Goods	39,219.93	28,414.27
Upper (Produced Raw Material)	11,194.80	7,992.27
Stock-in-Trade	<u>1,884.33</u>	<u>975.25</u>
	<u>64,850.47</u>	<u>44,219.17</u>
Less: Closing Inventories		
Work-in-Progress	11,888.02	12,551.41
Finished Goods	37,740.35	21,119.66
Upper (Produced Raw Material)	10,033.68	11,194.80
Stock-in-Trade	<u>2,336.70</u>	<u>484.85</u>
	<u>61,998.75</u>	<u>45,350.72</u>
	2,851.72	(1,131.55)
Add: Increase/ Decrease of Excise Duty on Inventories	<u>53.04</u>	<u>59.07</u>
Changes in Inventories	<u>2,904.76</u>	<u>(1,072.48)</u>
Note : Finished Goods of ₹ 18100.27 ('000) and Stock in Trade of ₹ 1399.48 ('000) have been acquired pursuant to the Scheme of Amalgamation (Merger).		
27. <u>Employee Benefits Expenses :</u>		
Salaries and Wages	49,060.94	33,988.42
Contribution to Provident and other Funds	4,385.09	2,768.50
Employee Welfare	<u>4,066.60</u>	<u>1,622.24</u>
	<u>57,512.63</u>	<u>38,379.16</u>
28. <u>Power and Fuel :</u>		
Power and Fuel	<u>13,238.33</u>	<u>7,925.43</u>
29. <u>Finance Costs :</u>		
Interest Expenses	<u>16,583.69</u>	<u>12,756.42</u>
30. <u>Depreciation and Amortization Expenses :</u>		
Depreciation and Amortization Expenses	<u>12,816.45</u>	<u>7,118.77</u>

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

	For year ended 31/03/2013 (₹ in Thousands)	For year ended 31/03/2012 (₹ in Thousands)
31. Other Expenses		
Auditor's Remuneration - (a)	602.20	313.25
Bank Charges	1,989.43	1,276.96
Cartage Expenses	10.49	-
Commission	1,964.51	689.70
Computer Software Charges	32.16	-
Consumption of Stores and Spares	31,924.75	20,960.66
Cost of Consumables Sold	1,181.96	-
Cost of Raw Material Sold	509.79	1,336.64
Discount Allowed (Net)	4,034.17	1,780.40
Duty on Exciseable Stock	-	110.86
Duty on Job Work	859.22	105.85
Excise Duty Reversed	(59.07)	(237.59)
Freight and Forwarding Expenses (Net)	13,813.44	8,867.90
(Gain)/ Loss on foreign currency transactions and translation (Net) - Refer Note No. 36	807.96	3,140.95
Insurance	1,035.50	560.18
Interest paid on Late Payment of Entry Tax	36.63	-
Internet Expenses	25.71	-
Managerial remuneration & Commission	4,272.00	3,000.00
Merging Expenses	446.08	-
Miscellaneous Expenses	2,106.31	3,172.87
Mobile Phone	36.00	-
Other Repairs & Maintenance	270.92	-
Penalty on SEZ Land	1,613.94	-
Preliminary Expenses Written off	373.00	-
Printing & Stationery	835.45	-
Professional Fees	1,128.55	431.71
Rates and Taxes	2,183.53	149.28
Rent	2,972.35	997.92
Repairs to Buildings	14.36	-
Repairs to Machinery	1,338.03	1,977.79
Right Issue Expenses	-	(85.40)
Sales Promotion Expenses	1,276.28	-
Sundry Balance written off	(597.55)	-
Telephone, Telegram & Postage	951.09	912.19
Travelling and Conveyance Exp.	1,847.68	450.77
Vehicle Running & Maintenance Expenses	983.44	-
	<u>80,820.31</u>	<u>49,912.89</u>
(a) Details of Auditor's Remuneration are as follows :		
Statutory Auditors:		
Audit Fees	280.90	220.93
Tax and Vat Audit	77.53	33.70
Other Services	243.77	58.62
	<u>602.20</u>	<u>313.25</u>
32. Exceptional Items :		
Investment in subsidiary	400.00	29,099.31
Less: Amount Received against the investment	400.00	15,357.49
Loss on sale	-	13,741.82
	<u>-</u>	<u>13,741.82</u>
Note : The holding in Krypton Developers Limited has been reduced to 18.80% from 98.80% in FY 2012-13. (Previous Year 100% Investment in Krypton Industries (Suzhou) Co. Ltd. was sold)		
33. Tax Expenses		
Current Tax		
Current Tax for the year	1,522.45	2,100.00
Current Tax Paid for earlier years	1,647.45	329.03
	<u>3,169.90</u>	<u>2,429.03</u>
Deferred Tax		
Deferred Tax for the year	829.43	800.85

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

34. Detail of Sales, Raw Material Consumption, Inventories, etc. under broad heads are given below :

A. Raw Materials Consumed :

Items	Imported		Indigenous		Consumed	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)
1 Additive	56.79	43.59	4,073.51	6,651.65	4,130.30	6,695.24
2 Bearings & Components	4,659.92	-	-	-	4,659.92	-
3 Colour	915.55	167.48	3,933.78	4,689.09	4,849.33	4,856.57
4 Components	3,134.95	29,613.86	3,179.21	-	6,314.16	29,613.86
5 Dacon Yarn	3,260.23	1,588.00	-	-	3,260.23	1,588.00
6 Durathen	1,183.12	-	3,062.60	-	4,245.72	-
7 Isocyanate	22,743.73	-	-	-	22,743.73	-
8 Lupranate (ISO)	13,174.31	21,959.57	36,470.21	28,156.28	49,644.52	50,115.85
9 Meg	-	-	308.12	979.69	308.12	979.69
10 Metal Bars	-	-	268.59	-	268.59	-
11 Metal Pipes & Bars	-	-	1,672.32	-	1,672.32	-
12 Metal Plate & Others	-	-	1,059.51	-	1,059.51	-
13 Metal Sheets & Pipes	-	-	4,406.53	-	4,406.53	-
14 Methylene Chloride (MCL)	681.50	-	1,637.59	1,757.02	2,319.09	1,757.02
15 Moplen EP 332K	39.03	-	1,689.67	-	1,728.70	-
16 Others	-	-	30,412.45	32,217.90	30,412.45	32,217.90
17 Plastic Dana & Master Batch	248.43	-	113.66	-	362.09	-
18 Polyol	19,333.25	27,033.57	28,629.60	26,083.36	47,962.85	53,116.93
19 Polyurethane	1,527.87	-	-	-	1,527.87	-
20 PPGF	-	-	1,284.76	-	1,284.76	-
21 Release Agent	19.31	-	1,967.69	1,370.53	1,987.00	1,370.53
22 Resin (P.P)	22,840.60	-	-	-	22,840.60	-
23 Rims & Components	-	-	-	-	-	-
24 Silicon	32.26	99.68	428.75	-	461.01	99.68
25 Suprasec	1,138.51	4,168.68	-	-	1,138.51	4,168.68
26 Triethelene Diamine	-	179.14	194.32	1,309.00	194.32	1,488.14
27 Ultramid	63.96	-	-	-	63.96	-
28 Upper	-	-	599.47	-	599.47	-
29 Wheels (Tyres)	1,897.10	-	-	-	1,897.10	-
	96,950.42	84,853.57	125,392.34	103,214.52	222,342.76	188,068.09

B. Traded Goods :

Products	Purchases		Sales		Opening Stock		Closing Stock	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)
Mounting tools	-	-	-	-	162.63	162.63	162.63	162.63
Rim Wheel	14,801.13	19,955.58	15,472.88	21,459.37	1.19	1.19	1.19	1.19
P.P. Rim	-	-	-	-	7.56	7.56	7.56	7.56
Wheel Chair	-	-	-	-	49.78	49.78	49.78	49.78
ID Card	-	-	-	-	57.35	57.35	57.35	57.35
Hinge	-	-	-	-	53.50	53.50	53.50	53.50
Aluminium Spacer	-	-	-	-	0.64	0.64	0.64	0.64
Tyre Arm Rest & Others	-	-	-	-	-	-	897.82	-
Wheels	-	-	-	-	-	-	38.55	-
Chappal / Sandal	1,799.98	228.47	8,124.12	337.06	152.20	103.70	1,067.68	152.20
Wacker Fluid	-	-	618.56	-	-	-	-	-
Hospital Equipments	-	3,145.89	-	4,059.65	-	538.90	-	-
	16,601.11	23,329.94	24,215.56	25,856.08	484.85	975.25	2,336.70	484.85

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

C. Manufactured Goods

Products	Sales		Opening Stock		Closing Stock	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)
MCP Tyres						
(including 'B' Grade Tyres)	169,258.74	99,380.42	13,375.73	14,778.49	19,060.30	13,375.73
Plastic Rim With Tyres	10,113.60	10,098.36	-	-	5,387.88	-
Fork (Including Component)	-	-	-	-	638.43	-
Pu Shoe Sole	60,195.45	68,144.84	5,918.21	760.50	858.20	5,918.21
Pu Sandal/Chappal	102,968.53	101,110.55	1,825.72	12,875.28	8,322.28	1,825.72
Wheel Chairs	36,813.14	-	-	-	2,097.37	-
Crutches & Walking Stick	2,659.94	-	-	-	725.67	-
Metal Parts (Including Rims)	347.49	-	-	-	570.32	-
Hospital Equipments & Components	614.34	-	-	-	79.90	-
Wheel Chair Parts	11,794.36	7,186.05	-	-	-	-
Upper	195.66	-	11,194.80	7,992.27	10,033.68	11,194.80
	394,961.25	285,920.22	32,314.46	36,406.54	47,774.03	32,314.46

*Sales excludes excise duty of \$ 3382.59 (in '000), Previous Year \$ 6160.23 (in '000)

D. Work-in-Progress

	Year ended 31/03/2013		Year ended 31/03/2012	
	Opening (₹ Thousands)	Closing (₹ Thousands)	Opening (₹ Thousands)	Closing (₹ Thousands)
Raw Material	2,179.18	414.78	-	2,179.18
PU Shoe Sole	3,562.94	3,159.37	4,274.27	3,562.94
PU Sandal	6,157.31	5,812.22	2,563.11	6,157.31
Wheel Chair Parts	-	667.05	-	-
Upper	651.98	1,834.60	-	651.98
	12,551.41	11,888.02	6,837.38	12,551.41

35. Contingent Liabilities and Commitments

	As at	As at
	31/03/2013	31/03/2012
	(₹ in Thousands)	(₹ in Thousands)
Contingent Liabilities		
(a) Bank Guarantee given in favour of WBSEB and superintending Engineering	2,436.77	321.10
(b) Other money for which the Company is contingently liable:		
i. Export Bills discounted with Banks	5,680.18	10,189.14
ii. Letter of Credit	7,301.95	-

36. Gain or loss on foreign currency transaction and translation :

	Year ended	Year ended
	31/03/2013	31/03/2012
	(₹ in Thousands)	(₹ in Thousands)
Loss on foreign currency transaction and translation	4,424.18	7,377.68
Gain on foreign currency transaction and translation	3,616.22	4,236.73
(Gain)/Loss on foreign currency transaction and translation (Net)	807.96	3,140.95

Notes to the Financial Statements as at and for the year ended 31st March 2013

37. Segment Reporting

A. Primary Segment Reporting (by Business Segment):

- (a) The Company has three reportable segments viz. Tyre, Rim and Wheels, Footwear and Hospital Equipments which have been identified in line with the Accounting Standard 17 on Segment Reporting, taking into account the organizational structure as well as differential risk and return of these segments. Details of products included in each segments are as under:
- (b) Inter-segment transfers are based on market rates.
- (c) The details of the revenue, results, assets, liabilities and other information from operations by reportable business segments are as follows:

	Year ended 31/03/2013				Year ended 31/03/2012		
	Tyre, Rim & Wheel	Footwear	Hospital Equipments	Total	Tyre	Footwear	Total
	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)
REVENUE							
Total	439,298.75	187,242.56	42,442.12	668,983.43	139,555.82	181,800.79	321,356.61
Inter Segment	-	-	-	(240,605.88)	-	-	-
Excise Duty	-	-	-	(3,446.54)	-	-	-
External	<u>439,298.75</u>	<u>187,242.56</u>	<u>42,442.12</u>	<u>424,931.01</u>	<u>139,555.82</u>	<u>181,800.79</u>	<u>321,356.61</u>
RESULTS							
Segment Results	31,920.31	69.28	(7,416.15)	24,573.44	2,024.71	(3,238.89)	(1,214.18)
Unallocated Corporate Income	-	-	-	-	-	-	-
Unallocated corporate Expenses	-	-	-	-	-	-	-
Finance Costs	-	-	-	(16,583.69)	-	-	(12,756.42)
Tax Expenses	-	-	-	(3,999.33)	-	-	(3,229.88)
Profit for the period	-	-	-	<u>3,990.42</u>	-	-	<u>(17,200.48)</u>
OTHER INFORMATION							
Assets :							
Segment Assets	260,763.97	193,748.51	44,737.14	499,249.62	199,971.69	184,655.31	384,627.00
Unallocated Corporate Assets	-	-	-	1,600.00	-	-	3,066.68
Total Assets	-	-	-	<u>500,849.62</u>	-	-	<u>387,693.68</u>
Liabilities:							
Segment Liabilities	122,609.73	73,154.25	3,178.26	198,942.24	21,367.10	39,327.61	60,694.71
Unallocated Corporate Liabilities	-	-	-	15,225.36	-	-	3,180.27
Total Liabilities	-	-	-	<u>214,167.60</u>	-	-	<u>63,874.98</u>
Capital Expenditure	895.05	5,444.79	787.60	7,127.44	1,011.85	27,984.42	28,996.27
Depreciation and Amortization	7,210.00	3,826.01	1,780.44	12,816.45	4,448.92	2,669.85	7,118.77
Impairment Loss/ (Reversal)	-	-	-	-	-	-	-
Other Non-Cash Expenses	-	-	-	-	-	-	-

B. Secondary Segment Reporting (by Geographical demarcation) :

- (a) The secondary segment is based on geographical demarcation i.e. India, Overseas, Export (SEZ). The Secondary segmental revenue are as under:

	Year ended 31/03/2013				Year ended 31/03/2012			
	India	Overseas	Export (Sez)	Total	India	Overseas	Export (Sez)	Total
	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)
Revenue	321,629.98	103,301.03	-	424,931.01	224,260.52	80,323.40	16,772.69	321,356.61

(The above figures are exclusive of Excise Duty)

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

38. Earning per Share (EPS)

	Year ended 31/03/2013 (₹ in Thousands)	Year ended 31/03/2012 (₹ in Thousands)
Profit/ (Loss) for the period (` 000)	3,990.42	(17,200.48)
Weighted average number of shares used in the calculation of EPS :		
Weighted average number of Basic Equity Shares outstanding	14697130	11111012
Weighted average number of Diluted Equity Shares outstanding	14697130	11111012
Face value of per share (₹)	10.00	10.00
Basic & Diluted EPS (₹)	0.27	(1.55)

39. Details of Due to micro and small medium enterprise as defined under MSMED Act 2006

	As at 31/03/2013 (₹ in Thousands)	As at 31/03/2012 (₹ in Thousands)
A. Jiwago Precision Dies Pvt Ltd.		
Principal amount due	<u>20.50</u>	<u>-</u>

40. Related Party Disclosures :

A. List of Related Parties :

(a) Enterprises where control exists :

i. Subsidiaries :	i) Krypton Developers Ltd. (Ceased to be a subsidiary w.e.f 30/03/2013)
ii. Key Managerial Personnel :	
a) Managing Director	Sri Jay Singh Bardia
b) Non Executive Directors	i) Sri T.C.Bachhawat ii) Sri Tansukh Gulgulia iii) Sri Pradeep Kumar Singh
c) Chief Executive Officer	Sri P.L. Bardia *
d) Secretary	Sri T.K. Das

* Sri P.L.Bardia is related to the Managing Director

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

B. Disclosure of transactions between the Company and Related Parties during the year in the ordinary course of business and status of outstanding balances at year end :

(a) Subsidiaries, Associates and Joint Ventures :

	<u>2013</u>	<u>2012</u>	
	Krypton Developers Ltd. (₹ Thousands)	Eco Wheels Pvt. Ltd. (₹ Thousands)	Krypton Developers Co. Ltd. (₹ Thousands)
Transactions for year ended 31st March :			
Sales of Products	-	16,772.69	-
Purchase of Raw material	-	36,225.89	-
Purchase of Trading Goods	-	3,145.90	-
Interest and Dividend given	51.41	-	-
Loans, Advances and Deposits taken (Net)	450.00	-	-
Outstanding balances as at 31st March :			
Trade Receivables	-	2,964.68	-
Trade Payables	-	6,253.85	-
Investments	-	8,271.00	494.00
Loans, Advances and Deposits given	-	-	-
Loans, Advances and Deposits taken	-	-	-

	<u>Year ended 31/03/2013</u>	<u>Year ended 31/03/2012</u>
	(₹ in Thousands)	(₹ in Thousands)
(b) Key Managerial Personnel :		
Managing Director Remunerations (Within Ceiling limit of Schedule XIII, Part II, Sec II 1(B))	4,260.00	3,000.00
Non Executive Directors	12.00	14.50
Chief Executive Directors	600.00	600.00
CA Vinay Sipani (Senior Accounts Executive)	628.90	361.65
	5,500.90	3,976.15

Note : Managerial Remuneration includes Remuneration given to Directors of Transferor Company

41. Additional information pursuant to paragraphs 5 (viii) of Part II of Schedule VI to the Companies Act, 1956 are follows :

	<u>Year ended 31/03/2012</u>	<u>Year ended 31/03/2011</u>
	(₹ in Thousands)	(₹ in Thousands)
A. C.I.F. value of imports by the Company (Excluding imported items purchased locally) :		
Raw Materials & Trading Goods & Components	112,472.90	59,693.99
Stores and Spares	1,636.69	2,338.54
Capital Goods	1,073.47	14,186.18
B. Expenditure in foreign currency during the year :		
Other matters	741.30	411.36

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2013

C. Value of Raw Materials, Coal and Fuel and Stores and Spares consumed during the year ended :

	Value (₹ Thousands)		Percentage (%)	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Raw Materials :				
Imported	96,950.42	84,853.57	43.60%	45.12%
Indigenous	125,392.34	103,214.52	56.40%	54.88%
	<u>222,342.76</u>	<u>188,068.09</u>		
Stores and Spares :				
Imported	1,535.58	623.15	4.81%	2.97%
Indigenous	30,389.17	20,337.51	95.19%	97.03%
	<u>31,924.75</u>	<u>20,960.66</u>		

D. Earnings in Foreign Exchange:

	For the year ended	For the year ended
	31/03/2013	31/03/2012
	(₹ in Thousands)	(₹ in Thousands)
Export of Goods on F.O.B. basis	103,301.03	80,323.40

42. "The company has issued equity shares of ₹ 10/-each on right basis at a price of ₹15/- per share in the ratio of 17:10 in April 2011 aggregating to 10,199,329 shares. Against a total amount receive of ₹ 1529.90 lakhs the company has refunded ₹ 433.30 lakhs to the shareholders. The company has utilized the balance ₹ 1096.60 lakhs against which 7310680 shares have been allotted fully paid-up on 7th May 2011. The amount was utilized in the following manner :

Particulars	Amount in '000
a) Expenses Incurred/ Deployed to Footwear Division	43,784.33
b) Expenses Incurred/ Deployed to Tyre Division	42,269.88
c) Right Issue Expenses	3,798.73
d) Fixed Deposit with scheduled banks	18,157.71
e) Depoist with BSE (Refundable)	1,100.00
f) Balance lying in Current Accounts with Scheduled Bank	549.35
Total	<u>109,660.00</u>

43. The company has reclassified/rearranged/regrouped previous year figures to conform to this year's classification, where necessary.

Note : Signatories to all Notes from 1 to 43

For JAGDISH AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration no.320253E

Place: Kolkata.
Dated: The 29th Day of May, 2013

J.P.AGARWAL
PARTNER
Membership No.055436

**KRYPTON INDUSTRIES
LIMITED**

ATTENDANCE SLIP

(To be presented at the entrance)

23RD ANNUAL GENERAL MEETING ON FRIDAY, 30TH AUGUST, 2013
at Krypton Industries Ltd., Falta Special Economic Zone, Sector - 1, Plot No. 31 & 32
P. S. Diamond Harbour, 24 Parganas, Pin - 743 504

Folio No. _____ DP ID No. _____ Client A/c. No. _____

Name of Shareholder _____

Signature of the Shareholder _____

(only shareholders / proxies are allowed to attend the meeting)

**KRYPTON INDUSTRIES
LIMITED**

PROXY FORM

I/We _____ of _____ being a member(s) of Krypton Industries Ltd.
hereby appoint _____ of _____ in the district of _____
_____ in the state of _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the 23rd Annual General Meeting of Krypton Industries Ltd. to be held on 30th August, 2013 and at any adjournment thereof.

Folio No. _____

DP ID No. _____ Client A/c. No. _____

Signed this _____ day of _____ 2013 Signature across Revenue Stamp



BANK ACCOUNT PARTICULARS/ECS MANDATE FORM

I/We _____ do hereby authorise Krypton Industries Limited to

- * print the following details on my/our dividend warrant.
- * credit my dividend directly to my Bank Account by ECS.

(*Strike out whichever is not applicable) My/our Folio No. : _____
Particulars of Bank Account : DP ID No. _____ Client A/c. No. _____
A. Branch Name : _____
B. Branch Name : _____
Address (For Mandate only) : _____
C. 9 Digit Code number of the Bank & Branch as appearing on the MICR Cheque : _____
D. Account type (Savings / Current / Overdraft) : _____
E. Account No. as appearing on the cheque Book : _____
F. STD Code & Telephone No. : _____

I/We shall not hold the Bank responsible if the ECS could not be implemented or the Bank discontinue(s) the ECS, for any reason.

Mail to :
Maheshwari Datamatics (P) Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001

Signature of the Shareholders

Please attach the photocopy of a cheque or a bank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the 9 digit code number.

In case you are holding shares in demat form, kindly advise your Depository Participant to take note of your Bank account particulars/ECS mandate.

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AGM ON FRIDAY, 30TH AUGUST, 2013

Venue

Falta Special Economic Zone, Sector - 1, Plot No. 31 & 32
P. S. Diamond Harbour, 24 Parganas (South), West Bengal - 743 504
Time : 11:30 A.M.

ALL SHAREHOLDERS ARE WELCOME