

22ND 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 : 91-31-74222227
WORKS - II	:	P. O. & Village Banganagar, Diamond Harbour Road 24-Parganas (S), West Bengal - 743 513 Phone : 91-31-74241005
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 Second 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 28th day of September, 2012 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, 2012, 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. Tansukh Gulgulia, 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 conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

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 :13/08/2012

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 26/09/2012.
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 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, 2012 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 notify immediately, change in their address, if any, quoting their folio number(s), to the company's Registrar & Share Transfer Agent.

KRYPTON INDUSTRIES LIMITED

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.
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 20/09/2012 to 28/09/2012 (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 their 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.

Please help us to save the environment.

Annexure to the Notice

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

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. Tansukh Gulgulia
Date of Birth	15th June, 1963
Date of Appointment on the Board	23rd September, 2003
Nationality	Indian
Qualification	Bachelor of Commerce in Honours.(B.Com. Hons.) Bachelor of Law(LL.B.)
Expertise in Specific Functional Area	Practicing Tax Consultant having more than 25 years of vast and rich experience to his credit. The company regularly avails his guidance on Income Tax and other legal matters. His guidance and advices has contributed a lot in the progress of the company.
Directorships held in other Companies (excluding Foreign Companies)	(1) Eco Wheels Private Limited (2) Barons Polymers Private Limited.
Memberships/Chairmanships of Committees of other Companies (Including only Shareholders / Investors Grievance Committee)	NIL
Number of shares held in the Company	15,500

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Date: 13/08/2012

By Order of the Board

Tarun Kumar Das
Company Secretary

KRYPTON INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear shareholders,

Your Directors present the 22nd Annual Report together with the audited accounts of your company for the year ended 31st March 2012.

1. FINANCIAL RESULTS

During the year under review, the company achieved an aggregate income of Rs. 3265.26 lakhs. The highlights of the financial results are as under:

	Amount in (Rupees in '000)	
	Current Year 2011-2012	Previous Year 2010-2011
Sales	321356.61	245967.96
Other Income	5169.73	2232.10
Gross Total Income	326526.34	248200.06
Profit before Interest, Depreciation & Tax	19646.40	34276.41
Interest	12756.42	14593.24
Depreciation	7118.77	6918.07
Profit before Exceptional Items & Extraordinary items and Tax	(228.78)	12765.10
Exceptional Items	13741.82	--
Profit before Tax and after Exceptional Items & Extraordinary Items	(13970.60)	12765.10
Provision for Taxation	3229.88	5740.14
Profit after Tax	(17200.48)	7024.96
Balance in Statement of Profit and Loss brought Forward	66113.91	59088.95
Balance Available for Appropriation	48913.43	66113.91
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	48913.43	61113.91

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 2011-12 amounted to Rs. 1447.60 lakhs compared to Rs.1150.97 lakhs of in the previous year i.e. the total income has increased by about 25.77%.

The loss before tax amounted to Rs. (52.05) lakhs as compared to profit of Rs. 52.89 lakhs which was substantially down due to extraordinary items of sale of 100% subsidiary in china. The directors hope for a better performance in the forthcoming year.

Footwear division

The total income of the footwear division for the year 2011-12 amounted to Rs. 1761.03 lakhs compared to Rs.1333.20 lakhs in the previous year i.e. the total income has increased by about 32.09%. The unit reported a loss before tax of Rs. 81.84 lakhs during the year compared to profit of Rs. 75.49 lakhs in the previous year.

The performance of the footwear division has not been up to the mark due to increase in Raw Material Prices and sale of Old Stock. However your company could retain all its customers and better orders for the current year. This unit is performing better and will surely grow further with better product mix.

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, 2012 and plough back the profits of the company in its business.

4. CONSOLIDATED FINANCIAL STATEMENTS & SUBSIDIARIES

As stipulated by clause 32 of the Listing Agreement, Consolidated Financial Statements have been prepared by the company in accordance with the requirements of Accounting Standard 21, on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

5. SUBSIDIARY COMPANIES

In accordance with the general exemption granted by the Ministry of Corporate Affairs, Balance Sheet Statement of Profit & Loss, Directors' Report are not attached with this Report.

The annual accounts of your company's subsidiaries viz. Eco Wheels Pvt. Ltd., Krypton Developers Limited and Krypton (Suzhou) China Co. Ltd. till 30.09.2011 and other related information shall be made available to the shareholders of company and its subsidiaries on receipt of request from them.

The same will be kept open for inspection at the registered office of your company and that of respective subsidiaries during the business hours.

6. CAPITAL EXPENDITURE

Your company has invested Rs. 7.30 Crore in the expansion programmes for the Footwear Division and MCP Tubeless Tyre Divisions.

We are pleased to inform that the expansion of footwear division has been implemented successfully and they have started production and your company should get a very good benefit due to this investments in the future. Due to higher demand from our current customers, funds which should be utilized for launching retail stores for the time being kept on hold and funds have been used in further purchase of different types of moulds, plant and machinery to cater to the demand and to sustain regular supply.

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 your company has started to implement the project. The production from this should start by November 2012.

Further to this, your company is planning to invest another Rs.15 crore to enhance the domestic tyre production capacity to 15000 tyres per day. This should be complete in the financial year 2013-14.

KRYPTON INDUSTRIES LIMITED

Your company has planned further capital expenditure of Rs. 15 crore for further expansion of Footwear production capacity from current capacity of 280,000 pairs per month to 500,000 pairs per month by Financial Year 2013-14 and domestic tyre capacity to 15,000 tyres per day by 2013-14.

These projects will be funded through a judicious mix of internal cash reserves, accruals and borrowings.

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

A. Industry Structure & Developments:-

Krypton Industries Limited has concluded a good year with respect to sales growth and also for local market network expansion. The distribution network will be key focus area for this year also.

The tyre and wheels business is continuously growing. Our customer base has also increased in international as well as domestic markets. The overall performance of this division should have been much better but is effected by increased raw material prices and sale of 100% Chinese subsidiary in 2011-12.

The footwear division has already set on a growth on sales. The Company has received very good customer response and demand for its products. The complete footwear is becoming more popular as compared 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 from cheap Chinese imports. 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 standard is bringing better sales.

B. Outlook and opportunities

Your Company has identified the following opportunities and future building business areas:

1. Krypton has a clear opportunity to become a significant player in the Footwear market, Medical equipment market and of course creating a bigger market for its MCP tubeless tyre business in India. This opportunity provides us to grow at a rapid pace. This will be supported by the new investment into expanding capacities which will be completed by the year 2012.
2. Enhancing the Sales and distribution network in India rapidly but with control for all its products, after the current penetration and acceptance by the market, will be the most important task for the company which will help the company to become widely known and in delivering better performance.
3. A wide market presence along with promotional activities will help the brand 'Krypton' better known in the market. The footwear will also use KRYPTON brand name for all its premium product apart from SOFTFLEX brand. The medical equipment division which sells its products under "iCARE" brand name will also use Krypton name to identify itself as part of Krypton.

C. Outlook on threats, risk and concern

1. Business Risks:

The biggest risk company is facing is managing the rapid growth it is aiming for. The timely implementation of projects, controlling distribution market, providing right promotional support to its product will be very critical for overall success of your 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 be passing on of incremental it cost will be possible. Your company is working more on reducing per unit input resource cost where is focusing on increasing productivity to reduce per unit manpower and power cost the Company. With innovating new materials and reducing material cost of its product wants to remain on the growth path.

Major part of business depends on different large OEM customers. Krypton 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 :

The financial long term investment in all the expansion and working capitals have been continuously monitored and followed. Company has taken special program to reduce the debtors and credit period to the customers.

The foreign exchange risks are regularly hedged covered and due to varied markets exposure and purchases the risk has reduced considerably.

3. Legal & Statutory Risks

Your company has entered into the business agreements with various companies in different countries, as distributors of your company's product and has non-disclosure agreements with some of them, which sometimes restrict the scope of business.

Your 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

Your 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 in politically unstable regions.

Changes in taxation system can effect in positive and negative manners and like any other business your company also has to face such risks.

D. Internal Control System and their adequacy:

Your 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 balances. Your Company remains committed to ensuring an effective internal control environment that provides assurance on the efficiency of operations and security of assets.

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 /takes corrective actions. The committee also meets the Company's Statutory Auditors to ascertain, interalia, 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 is not very encouraging. But Your Company will perform better in coming years.

KRYPTON INDUSTRIES LIMITED

F. Human Resource Developments :

During the fiscal 2011-2012 your company has 153 Persons on its payroll. Apart from this your company has generated indirect employment to more than 300 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. on which the company doesn't have any direct control.

8. 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.

9. LISTING AT STOCK EXCHANGES

The equity shares of the company are listed on the stock exchanges at Calcutta, Mumbai, Delhi and Jaipur. The annual Listing fees for the year 2011-2012 have been paid to all these stock exchanges.

10. 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.

11. DIRECTORS'

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

12. FINANCE /RIGHTS ISSUE

Your 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 Rs. 433.30 lakhs to the shareholders. The company has utilized the balance of Rs.1096.60 lakhs against which 73,10,680 shares have been allotted as 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	379.90
b.	Expenses Incurred / Deployed to Tyre Division	235.87
c.	Right Issue Expenses	37.99
d.	Fixed Deposit with scheduled banks	300.00
e.	Deposit with BSE(Refundable)	11.00
f.	Balance lying in the current accounts with Scheduled Bank	131.84
		1096.60

On 24th November ,2011 CRISIL has assigned credit rating for the bank facilities of Krypton Industries Limited as given below:-

Term Loan	CRISIL BB-/ Stable (Assigned)
Cash Credit	CRISIL BB-/ Stable (Assigned)
Proposed Cash Credit Limit	CRISIL BB-/ Stable (Assigned)
Foreign Bill Purchase	CRISIL A4+ (Assigned)
Letter of Credit	CRISIL A4+ (Assigned)
Bank Guarantee	CRISIL A4+ (Assigned)
Million Packing Credit	CRISIL A4+(Assigned)

13. 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 your company at the end of the financial year and of the profit of your 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 your company and for preventing and detecting fraud and other irregularities.; and
- Prepared the annual accounts on a going concern basis.

14. 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.

15. 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.

16. AUDITOR'S REPORT

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

17. ISO 9001-2000

Your company operates in ISO 9000 quality assurance system as per the ISO 9001-2000 standards. The Audit was duly carried out during the year 2007 by BIS and your company has been re-registered as ISO 9001-2000 Company. The new standards are mainly customer oriented and they will help your Company to get much better controls to improve customer satisfaction standards.

KRYPTON INDUSTRIES LIMITED

18. 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.

19. 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.

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For and on behalf of the Board

Jay Singh Bardia
Chairman

Date: 30.05.2012

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	Previous Year
1) Electricity		
a) Purchased (from State Grid)		
Units (in KWH)	1115555	997170
Total amount (Rs. in Lacs)	73.32	64.29
Rate / Units (Rs/ KWH)	6.57	6.45
b) Own Generator		
Through diesel Generator		
Units (KWH)	23,762	34,380
Units per liter of Diesel Oil (KWH /Liters)		
Cost / Unit (Rs. / KWH)	15.66	13.26
2) Coal, furnace Oil, other	—	—
(b) CONSUMPTION PER UNIT OF PRODUCTION		
(1) PU TYRES		
Production (Pcs in Lacs)	7.10	7.47
Electricity per pcs (unit)	1.63	1.61
(2) PU SHOE SOLE		
Production (pairs in lacs)	17.12	16.73
Electricity per pair (unit)	0.40	0.32

(B) TECHNOLOGY ABSORPTION

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

Your company has primarily worked on developing lot of high end products and mass product line in the footwear product range which can generate good revenue in the winter season, which is normally a slower season. Some of the products are at the trial production stage and should be in market in this winter season.

Your company along with it subsidiary companies are working on new product line in Rehab Care/ Hospital Furniture Division for orthopedic/physio corrective therapy for disabled persons and patient assistance equipments. These products will be ready for next Financial Year 2013-14.

Company has also developed the high performance Tyres has resulted in new product which will open a new market with immense potential. Your company is in final phase of trial production of these products.

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

The company will achieve very good response in the footwear market for its new product line of PU DIP men's Shoes and higher range of Chappals, thereby helping the company to generate reasonable business even with difficult market situations.

KRYPTON INDUSTRIES LIMITED

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 "i Care" product range has been introduced in the market and received very good response. Your company plan to distribute the whole product range in India and also in 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.

You 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. Your 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>2011-2012</u>	<u>2010-2011</u>
1. (A) Foreign Exchange Earning	80323.40	88192.26
2. (B) Foreign Exchange Outgo		
i) CIF VALUE OF IMPORTS		
• Raw materials, Component & trading Goods	59693.99	55779.02
• Stores and Spare parts & Component	2338.54	898.07
• Capital Goods	14186.18	1849.08
ii) Others	411.36	537.80

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For and on behalf of the Board

Jay Singh Bardia
Chairman

Date: 30.05.2012

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, 2012 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 13 times on 16.04.2011, 07.05.2011, 12.05.2011, 24.06.2011, 28.07.2011, 12.08.2011, 31.10.2011, 11.11.2011, 19.11.2011, 05.12.2011, 19.01.2012, 14.02.2012 and 30.03.2012 all at 11A.M. The constitution of the Board during the year ended 31st March 2012 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	13	Yes	Executive, Chairman-cum Managing Director	None	NIL	3	NIL	NIL
2.	Mr. Tilok Chand Bachhawat	08	Yes	Independent Non-Executive	None	NIL	NIL	NIL	NIL
3.	Mr. Tansukh Gulgulia	08	Yes	Independent Non -Executive	None	NIL	2	NIL	NIL
4.	Mr. Pradeep Kumar Singh	13	No	Independent, Non-executive	None	NIL	1	NIL	NIL

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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 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 non-retiring directors are liable to retire by rotation. Thus, Mr. Tansukh Gulgulia 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 judgment 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 12.05.2011, 12.08.2011, 11.11.2011 and 14.02.2012

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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 14.02.2012 not to take commission during the year.

- b) Remuneration to Executive Director:

Remuneration of the Managing Director for the year-ended 31.03.2012, 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, 2012 is as follows:-

Name of the Directors	Sitting Fees (Rs.)	Others (Rs.)	Total (Rs.)
Mr. Pradeep Kumar Singh	6,500	NIL	6500
Mr. T. C. Bachhawat	4,000	NIL	4000
Mr. Tansukh Gulgulia	4,000	NIL	4000

- d) Details of the Shares of the Company held by directors as on March 31,2012 are as follows:

Name of the Directors	No. of Shares held
Mr. Pradeep Kumar Singh	NIL
Mr. T.C. Bachhawat	1,00,849
Mr. Tansukh Gulgulia	15,500
Mr. Jay Singh Bardia	10,46,500

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 has adopted 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 2011-2012	:-	NIL
No. of Complaints received during the financial year 2011-2012	:-	2
No. of Complaints redressed during the financial year 2011-2012	:-	2
No. of Complaints pending at the end of the financial year 2011-2012	:-	NIL

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

Dividend related complaints	:	2
Share Certificate	:	0
Annual Report	:	0
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.

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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
2008-2009	30.09.2009	Works - 2, P.O & Village Banganagar, Diamond Harbour Road,24-Parganas(s) West Bengal - 743513	11. A.M
2009-2010	29.9.2010	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

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 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 are taken 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) 22nd Annual General Meeting:
 - Date : 28th September, 2012
 - 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) Audited Results Announced : 30.05.2012
 - ii) Posting of Annual Report : On or before 04/09/2012
 - iii) Last date of Receipt of Proxy Forms : 26th September, 2012 (within 11:30 A.M)
- c) Date of Book Closure : 20th September to 28th September, 2012
- 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 2011-2012.

- 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

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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, 2012, equity shares of the company forming 85.0666 % of the share capital of the Company stand Dematerialized.

i) Stock Market Data :

Monthly high and low quotations of shares traded at Mumbai Stock Exchange (BSE) and performance in relation to BSE Sensex from April 2011 to March 2012 are as under:

Months	Krypton at BSE		BSE SENSEX	
	High (Rs)	Low (Rs)	High	Low
April, 2011	20.20	16.25	19,811.14	18,976.19
May, 2011	22.95	16.10	19,253.87	17,786.13
June, 2011	17.40	14.00	18,873.39	17,314.38
July, 2011	19.30	14.10	19,131.70	18,131.86
August, 2011	15.72	12.35	18,440.07	15,765.53
September, 2011	17.22	12.70	17,211.80	15,801.01
October, 2011	17.00	13.20	17,908.13	15,745.43
November, 2011	17.60	13.26	17,702.26	15,478.69
December, 2011	17.64	13.26	17,003.71	15,135.86
January, 2012	17.70	13.50	17,258.97	15,358.02
February, 2012	15.70	13.22	18,523.78	17,061.55
March, 2012	17.74	13.03	18,040.69	16,920.61

j) Distribution of Shareholding:

i) Category wise shareholding pattern as on 31.03.2012 was as under:

CATEGORY	NO.OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
PROMOTER'S HOLDING		
FOREIGN PROMOTERS	-	-
INDIAN PROMOTERS*	2601141	22.4022
NON-PROMOTERS HOLDING		
BANKS, FINANCIAL INSTITUTIONS, INSURANCE COMPANIES (CENTRAL/STATE GOVT. INSTITUTIONS/NON-GOVT. INSTITUTIONS)	200	0.0017
MUTUAL FUNDS/UTI	7000	0.0603
OTHERS		
PRIVATE CORPORATE BODIES	1500275	12.9211
INDIAN PUBLIC	6276970	54.0602
NRIs/OCBs	1225494	10.5545
TOTAL	11611080	100

ii) DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2012

Nominal Value of Shares	Share Holders		Share Amount	
	(Rs)	(Numbers)	%of TotalIn Rs.	% of Total
(1)	(2)	(3)	(4)	(5)
Upto 5,000	7379	88.8501	9390350	8.0874
5001 to 10000	334	4.0217	2704840	2.3295
10001 to 20000	207	2.4925	3083290	2.6555
20001 to 30000	97	1.1680	2478920	2.1350
30001 to 40000	53	0.6382	1926380	1.6591
40001 to 50000	27	0.3251	1255650	1.0814
50001 to 100000	64	0.7706	4400150	3.7896
1,00001 & Above	144	1.7339	90871220	78.2625
Grand Total :	8305	100.0000	116110800	100.0000

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 2012, 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 which 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: 30.05.2012

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, 2012.

For Krypton Industries Limited

Jay Singh Bardia
Managing Director

Date: 30.05.2012

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, 2012, 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: 30.05.2012

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

AUDITOR'S REPORT

1. We have audited the attached Balance Sheet of **KRYPTON INDUSTRIES LIMITED**, as at 31st March, 2012 and also the statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's reports) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - i) 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 ;
 - ii) 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;
 - iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of Account,
 - iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v) On the basis of written representations received from the directors as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and 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, 2012;
 - b) in the case of the statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **JAGDISH AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration no.320253E
J.P.AGARWAL
PARTNER
Membership No.055436

Place: Kolkata.
Dated: The 30th Day of May, 2012

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph '3' of our Report of even date on the accounts of **KRYPTON INDUSTRIES LIMITED** as at and for the year ended 31st March, 2012.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (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. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) 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) (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) (a) The Company has granted unsecured loan to its subsidiary company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ` 2570.12 (in'000) and the year ended balance of loan granted to such party was ` .Nil (in'000).
- (b) In our opinion the rate of interest and other terms & conditions on which loan has been taken from the party listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company.
- (c) The receipt of principal amounts and interest during the year has been regular/as per stipulation.
- (d) The Company had not taken unsecured loan from subsidiary company covered in the register maintained under section 301 of the Companies Act, 1956.
- (e) In our opinion the rate of interest and other terms & conditions on which loan has been taken from the party listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest to the Company.
- (f) The payment of principal amounts and interest in respect of such loans during the year has been regular/as per stipulation.
- (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.

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- (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 prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit within the meaning of section 58A, 58AA or any other relevant provisions of the Act and the rules framed thereunder.
- (vii) That Company has an internal audit system, which in our opinion, is commensurate with its 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, 2012 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 ` 37,48,814/-, 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.

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

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- (x) The Company has no accumulated losses and has 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 taken loans from financial institutions and has not issued debentures.
- (xii) As Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the Order is not applicable.
- (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 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 fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March, 2012.

Place: Kolkata.
Dated: The 30th Day of May, 2012

For **JAGDISH AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration no.320253E
J.P.AGARWAL
PARTNER
Membership No.055436

KRYPTON INDUSTRIES LIMITED

Balance Sheet as at 31st March, 2012

	Note No.	As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	'2'	116,110.80	43,004.00
Reserves and Surplus	'3'	<u>92,674.34</u>	<u>73,321.42</u>
		208,785.14	116,325.42
Non-Current Liabilities			
Long-term Borrowings	'4'	27,560.02	31,701.87
Deferred Tax Liabilities (Net)	'5'	3,762.19	2,961.34
Other Long-term Liabilities	'6'	<u>4,420.80</u>	<u>6,560.22</u>
		35,743.01	41,223.43
Current Liabilities			
Short-term Borrowings	'7'	83,711.35	96,981.49
Trade Payables	'8'	44,114.16	43,382.71
Other Current Liabilities	'9'	15,280.95	13,143.26
Short-term Provisions	'10'	<u>59.07</u>	<u>1,934.59</u>
		143,165.53	155,442.05
TOTAL		<u>387,693.68</u>	<u>312,990.90</u>
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	'11'	94,736.07	73,173.92
Capital Work-in-Progress	'12'	23,586.94	-
Non-Current Investments	'13'	10,296.33	10,296.33
Long-term Loans and Advances	'14'	32,469.44	28,920.09
Other Non-Current Assets	'15'	<u>5,438.83</u>	<u>3,384.54</u>
		166,527.61	115,774.88
Current Assets			
Current Investments	'16'	-	29,099.31
Inventories	'17'	88,514.97	78,783.52
Trade Receivables	'18'	67,486.59	62,921.18
Cash and Bank Balances	'19'	54,141.71	7,672.34
Short-term Loans and Advances	'20'	1,895.80	8,953.27
Other Current Assets	'21'	<u>9,127.00</u>	<u>9,786.40</u>
		221,166.07	197,216.02
TOTAL		<u>387,693.68</u>	<u>312,990.90</u>

Summary of significant accounting policies '1'

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

For **JAGDISH AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration no.320253E
J.P.AGARWAL
PARTNER
Membership No.055436

Place: Kolkata.
Dated: The 30th Day of May, 2012

KRYPTON INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended 31st March, 2012

	Note No.	Year Ended 31/03/2012 (₹ in Thousands)	Year Ended 31/03/2011 (₹ in Thousands)
INCOME			
Gross Revenue from Operations	'22'	327,760.79	249,813.11
Less: Excise Duty		6,404.18	3,845.15
Net Revenue from Operations		321,356.61	245,967.96
Other Income	'23'	5,169.73	2,232.10
Total Revenues		326,526.34	248,200.06
EXPENSES			
Purchases of Stock-in-Trade		23,329.94	5,449.38
Cost of Materials Consumed	'24'	188,068.09	142,965.87
Changes in Inventories	'25'	(1,072.48)	(21,678.97)
Employee Benefits Expenses	'26'	38,379.16	34,441.87
Power and Fuel	'27'	7,925.43	7,089.10
Finance Costs	'28'	12,756.42	14,593.24
Depreciation and Amortization	'29'	7,118.77	6,918.07
Other Expenses	'30'	50,249.79	45,656.40
Total Expenses		326,755.12	235,434.96
Profit/ (Loss) before Exceptional and Extraordinary items and Tax		(228.78)	12,765.10
Exceptional Items	'31'	13,741.82	-
Profit/ (Loss) before Extraordinary items and Tax		(13,970.60)	12,765.10
Extraordinary Items	'32'	-	-
Profit before Tax		(13,970.60)	12,765.10
Tax Expenses:	'33'		
Current Tax		2,429.03	5,328.35
Deferred Tax		800.85	411.79
Profit/ (Loss) for the period		(17,200.48)	7,024.96
Earnings per Equity Share:			
Basic & Diluted EPS (₹)	'38'	(1.55)	1.39
Basic & Diluted EPS Last year(₹)			1.63
Summary of significant accounting policies	'1'		

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

For **JAGDISH AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration no.320253E
J.P.AGARWAL
PARTNER
Membership No.055436

Place: Kolkata.
Dated: The 30th Day of May, 2012

KRYPTON INDUSTRIES LIMITED

Cash Flow Statement for the year ended 31st March, 2012

	Year ended 31/03/2012 (₹ in Thousands)	Year ended 31/03/2011 (₹ in Thousands)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	(13,970.60)	12,765.10
Adjustment for :		
Finance Costs	12,756.42	14,593.24
Depreciation and Amortization Expenses	7,118.77	6,918.07
Loss/ (Gain) on sale of fixed assets	155.35	(274.83)
Employee Stock Option Scheme	-	-
Provisions/ Provisions written-back (Net)	-	-
Unrealised Foreign Exchange (Gain)/ Loss (Net)	-	-
Loss/ (Gain) on Derivative transactions	-	690.23
Income from Investing Activities	(5,197.95)	(2,366.39)
Loss on sale of Subsidiary (Exceptional Item)	13,741.82	-
	<u>28,574.41</u>	<u>19,560.32</u>
Operating profit before working capital changes	14,603.81	32,325.42
Changes in working Capital :		
Inventories	(9,731.45)	(33,139.95)
Trade and other Receivables	(3,906.01)	(7,162.10)
Trade and other Payables	731.45	13,920.47
	<u>(12,906.01)</u>	<u>(26,381.58)</u>
Cash generation from Operation	1,697.80	5,943.84
Payment of Direct Taxes	(4,772.41)	3,896.13)
Net Cash generated/ (used) - Operating Activities	<u>(3,074.61)</u>	<u>2,047.71</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(28,996.27)	(7,350.69)
Capital work in progress	(23,586.94)	-
Sale of Fixed Assets	160.00	418.16
Return of Capital from Subsidiary	-	-
Purchase of shares of Subsidiaries	-	-
Sale of shares of Subsidiaries	-	-
Purchase of Investments	-	-
Sale of Current Investments	15,357.49	1,934.77
Proceeds/ Repayment of Loans from/to Body Corporate (Net)	7,057.47	(1,859.93)
Decrease in short term provision	(178.52)	-
Increase in long term loans and advances and non current asset	(3,031.48)	-
Decrease in other long term liabilities and other liabilities	1,530.64	-
Interest Received	3,272.17	1,001.21
Dividend Received	-	-
Net Cash Generated/ (Used) - Investing Activities	<u>(28,415.44)</u>	<u>(5,856.48)</u>

KRYPTON INDUSTRIES LIMITED

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from issue of Shares	109,660.20	9,041.95
Proceeds from Long-term Borrowings	-	-
Repayment of Long-term Borrowings	(4,141.85)	(8,428.84)
Proceeds/ Repayment of Short-term Borrowings (Net)	(13,270.14)	17,201.44
Finance Cost Paid	(13,409.80)	(13,849.94)
Dividend Paid (includes amount transferred to Investor Education & Protection Fund)	(878.99)	(1.01)
Net Cash Generated/ (Used) - Financing Activities	<u>77,959.42</u>	<u>3,963.60</u>
Net Increase/ (Decrease) in Cash and Cash Equivalents	46,469.37	154.83
Add : Opening Cash and Cash Equivalents	7,672.34	7,517.51
Closing Cash and Cash Equivalents	54,141.71	7,672.34

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.

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

Place: Kolkata.
Dated: The 30th Day of May, 2012

J.P.AGARWAL
PARTNER
Membership No.055436

Notes to the Financial Statements as at and for the year end 31st March 2012

1. SIGNIFICANT ACCOUNTING POLICIES:

(a) BASIS OF ACCOUNTING

The Company prepares its accounts under Historical Cost Convention. The financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. For recognition of Income and expenses, Mercantile System of Accounting is followed. The accounting policies have been consistently applied by the Company.

(b) FIXED ASSETS

i) All fixed assets are valued at Cost less accumulated Depreciation.

(c) 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 amortized over the estimated life of Moulds.

(iii) Depreciation on fixed assets are accounted on pro-rata basis with reference to date of use / disposal.

(d) INVESTMETNS

Long Term Investments are stated at Cost less provision, if any, for diminution, which is other than temporary in nature.

(e) INVENTORIES

Finished Goods and Trading Goods - At cost or Net realisable value, whichever is lower.

Raw Materials - Stores, Spare Parts, Packing Materials & Components - At cost.

Raw Material - Upper (produced) - At Cost

The values of finished goods include Excise Duty.

(f) FOREIGN CURRENCIES

i) Foreign Currency transactions are recorded at the exchange rate 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.

KRYPTON INDUSTRIES LIMITED

(g) RECOGNITION OF INCOME AND EXPENDITURE

Sales are recognized when goods are supplied and are recorded net of Trade discount and Taxes. Other Incomes and Expenses are accounted for on accrual basis and provision is made for all known losses and expenses.

(h) PROVISIONS FOR RETIREMENT BENEFITS

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.

(i) CONTINGENT LIABILITIES

Contingent Liabilities are generally not provided for in the Accounts and are shown separately in notes to the financial statements. Refer Point No. 35

(j) SEGMENT ACCOUNTING

To identify segment based on the dominant source and nature of risk and returns and the internal organization and management structure.

To include under "Unallocated Corporate Expenses" revenue and expenses which relate to the enterprise as a whole and are not attributable to segments.

(k) TAXATION

Provision for Tax is made for both current and deferred taxes. Current Tax is provided on the taxable income 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 recognized using tax rates and tax laws, which have been enacted or substantively enacted.

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements

	As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
2. Share Capital :		
Authorized Shares :		
1,50,00,000 (Previous year 1,50,00,000) Equity Shares of ₹ 10 each.	<u>150,000.00</u>	<u>150,000.00</u>
Issued, Subscribed and Paid-up Shares :		
1,16,11,080 (Previous year 43,00,400) Equity Shares of ₹ 10 each of full paid	<u>116,110.80</u>	<u>43,004.00</u>

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

	2011-12		2010-11	
	Numbers	(₹ Thousands)	Numbers	(₹ Thousands)
Equity Shares outstanding at the beginning of the year	43,00,400	43,004.00	43,00,400	43,004.00
Add: Equity Shares Issued during the year	73,10,680	73,106.80	-	-
Less: Equity Shares bought back/ redeemed during the year	-	-	-	-
Equity Shares outstanding at the end of the year	1,16,11,080	116,110.80	43,00,400	43,004.00

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 31/03/2012		As at 31/03/2011	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
Poly Air Tires Inc*#	-	-	3,24,000	7.53
Kanhaiyalal Bardia*	-	-	4,49,500	10.45
Richard W Benham*	-	-	3,10,000	7.21
Jay Singh Bardia	10,46,500	9.01		
Panna Lal Bardia	8,70,419	7.50		

* Percentage of shareholding is less than 5% as on 31.03.2012, hence the figures are not shown.

The allotment of 3,24,000/- equity shares to the Foreign Collaborator for the technical Know how fees is subject to the approval of Reserve bank of India.

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements

		As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
3. Reserves and Surplus :			
a) Capital Reserve	(A)	1,500.00	1,500.00
b) General Reserve	(B)	<u>5,707.51</u>	<u>5,707.51</u>
c) Securities Premium Account			
Opening Balance		-	-
Add : Premium on issue of Equity Shares		<u>36,553.40</u>	-
Closing Balance	(C)	<u>36,553.40</u>	-
d) Surplus/ (deficit) in the Statement of Profit and Loss			
Opening Balance		66,113.91	59,088.95
Add: Profit/(loss) for the period		<u>(17,200.48)</u>	7,024.96
Net surplus / (deficit) in the statement of profit & Loss	(D)	<u>48,913.43</u>	<u>66,113.91</u>
Total Reserve and Surplus (A+B+C+D)		<u>92,674.34</u>	<u>73,321.42</u>

4. Long-term Borrowings

	Non Current Maturities		Current Maturities	
	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)
Term Loans :				
From Banks (Secured)	-	4,150.00	4,216.09	5,903.00
From Other Parties (Unsecured)	<u>26,133.17</u>	25,333.17	<u>18,199.81</u>	33,793.80
Car Loan (Secured)	<u>1,426.85</u>	<u>2,218.70</u>	<u>791.85</u>	<u>1,074.14</u>
	<u>27,560.02</u>	31,701.87	<u>23,207.75</u>	40,770.94
The above amount includes				
Secured Borrowings	1,426.85	6,368.70	5,007.94	6,977.14
Unsecured Borrowings	<u>26,133.17</u>	25,333.17	<u>18,199.81</u>	33,793.80
Amount disclosed under the head				
Short term borrowings "(Note 7)"	-	-	<u>(23,207.75)</u>	<u>(40,770.94)</u>
	<u>27,560.02</u>	<u>31,701.87</u>	-	-

- A.** Term loan from Bank of Baroda was taken during the financial year 2007-08 and carries interest @ 13.5% p.a. The loan is repayable in 16 quarterly installment of ' 1671 (in '000) and 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, hypothecation of DP Note, 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 of the company.
- B.** 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.
- C.** Car loan from Axis Bank was taken during the financial year 2009-2010 and carries interest @ 10.60% p.a. the loan is repayable in 36 monthly installment of ' 20.51 (in '000), inclusive of interest from the date of Loan. The car loan is secured by hypothecation of Fiat Lenia Car itself.
- D.** Car loan from Axis Bank was taken during the financial year 2009-2010 and carries interest @ 12.22% p.a. the loan is repayable in 36 monthly installment of ' 13.06 (Rs in 000), inclusive of interest from the date of Loan. The car loan is secured by hypothecation of Maruti Dezire itself.
- E.** Car loan from Kotak Mahindra Bank was taken during the financial year 2009-2010 and carries interest @ 9.86% p.a. the loan is repayable in 36 monthly installment of ' 16.02 (Rs in 000), inclusive of interest from the date of Loan. The car loan is secured by hypothecation of Bolero itself.
- F.** Car loan from Kotak Mahindra Bank was taken during the financial year 2009-2010 and carries interest @ 5.75% p.a. the loan is repayable in 36 monthly installment of ' 9.61 (Rs in 000), inclusive of interest from the date of Loan. The car loan is secured by hypothecation of Wagon-R itself.

Notes to the Financial Statements

	As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
5. <u>Deferred Tax Liabilities (Net)</u>		
Deferred Tax Liabilities		
Opening Balance	2,961.34	2,549.55
Depreciation and Amortization Expenses	800.85	411.79
Deferred Tax Liabilities (Net)	3,762.19	2,961.34
6. <u>Other Long-term Liabilities</u>		
Trade Payables	716.06	702.34
Commission Payable	3,054.13	4,846.98
Other Liabilities	650.61	1,010.90
	4,420.80	6,560.22
7. <u>Short-term Borrowings</u>		
Current Maturities of Long term borrowings (Note 4)	23,207.75	40,770.94
Cash Credit (Secured)	43,534.69	42,896.98
Packing Credit (Secured)	16,968.91	8,948.57
PSDL Loan (Secured)	-	4,365.00
	83,711.35	96,981.49

- a. For current Maturities of long term borrowings please refer to notes of point 4.
- b. The cash credit from Bank of Baroda was taken during the financial year 2010-11 and carries interest @16% & 13.5 % p.a. 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 , hypothecation of DP Note, 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.
- c. The Packing credit Loan from Bank of Baroda was taken during the financial year 2009-10 and carries interest @13.5 % p.a. The loan is repayable as per term each along with interest, from the date of loan. The Packing credit loan is secured by hypothecation of both present and future stock of raw material, work in progress, Finished goods , hypothecation of DP Note, 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 of the company.
- d. The Buyers credit Loan from Bank of Baroda was taken during the financial year 2010-11 and carries interest @4.50 % p.a. The loan is repayable as per term each along with interest, from the date of loan. The Buyers credit loan is secured by hypothecation of both present and future stock of raw material, work in progress, Finished goods , hypothecation of DP Note, 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 of the company.

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements

	As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
8. Trade Payables		
Payable to Micro, Small and Medium Enterprises (See Note No. 39)	-	3.40
Trade Payables	44,114.16	43,379.31
	44,114.16	43,382.71
9. Other Current Liabilities		
Interest accrued and due on Unsecured borrowings	1,434.25	2,087.63
Unpaid/ Unclaimed Dividends	2,658.19	3,537.18
Customers' Credit Balances and Advances against orders	230.98	272.84
Statutory dues Payables		
Tax deducted at source payable	522.06	461.73
Provident Fund , ESI , and other Government Charges	333.20	309.42
Duties and taxes	36.67	33.36
Other Liabilities	10,065.60	6,441.10
	15,280.95	13,143.26
10. Short-term Provisions		
Provision for Current Tax (Net of Advance Tax)	-	1,697.00
Provision for excise duty payable	59.07	237.59
	59.07	1,934.59

11. Tangible Assets

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

	Cost		Accumulated Depreciation		Accumulated Impairment		Net Carrying Amount	
	31/03/2012 (₹ Thousands)	31/03/2011 (₹ Thousands)	31/03/2012 (₹ Thousands)	31/03/2011 (₹ Thousands)	31/03/2012 (₹ Thousands)	31/03/2011 (₹ Thousands)	31/03/2012 (₹ Thousands)	31/03/2011 (₹ Thousands)
Freehold Land	3,677.51	3,677.51	-	-	-	-	3,677.51	3,677.51
Buildings	47,920.44	33,369.73	11,912.03	10,768.57	-	-	36,008.41	22,601.16
Plant and Equipment	104,637.58	93,781.75	62,969.42	58,347.52	-	-	41,668.16	35,434.23
Furniture and Fixtures	7,685.73	5,470.88	3,457.99	3,269.43	-	-	4,227.74	2,201.45
Electric Installations	6,155.00	5,360.94	3,001.54	2,653.53	-	-	3,153.46	2,707.41
Vehicles and Aircraft	6,873.02	7,389.84	2,079.71	1,651.62	-	-	4,793.31	5,738.22
Office Equipment	4,658.67	4,077.85	3,451.19	3,263.91	-	-	1,207.48	813.94
	181,607.95	153,128.50	86,871.88	79,954.58	-	-	94,736.07	73,173.92

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

	As at 31/03/2011 (₹ Thousands)	Additions (₹ Thousands)	Disposals (₹ Thousands)	Other Adjustments (₹ Thousands)	As at 31/03/2012 (₹ Thousands)
Freehold Land	3,677.51	-	-	-	3,677.51
Buildings	33,369.73	14,550.71	-	-	47,920.44
Plant and Equipment	93,781.75	10,855.83	-	-	104,637.58
Furniture and Fixtures	5,470.88	2,214.85	-	-	7,685.73
Electrical Installations	5,360.94	794.06	-	-	6,155.00
Vehicles and Aircraft	7,389.84	-	516.82	-	6,873.02
Office Equipment	4,077.85	580.82	-	-	4,658.67
	153,128.50	28,996.27	516.82	-	181,607.95
Previous Year	146,240.46	7,350.69	462.65	-	153,128.50

Notes to the Financial Statements

Accumulated Depreciation	As at	Additions	Deductions/	As at
	31/03/2011		Other Adjust	31/03/2012
	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)
Freehold Land	-	-	-	-
Buildings	10,768.57	1,143.46	-	11,912.03
Plant and Equipment	58,347.52	4,621.90	-	62,969.42
Furniture and Fixtures	3,269.43	188.56	-	3,457.99
Electric Installation	2,653.53	348.01	-	3,001.54
Vehicles and Aircraft	1,651.62	629.56	201.47	2,079.71
Office Equipment	3,263.91	187.28	-	3,451.19
	79,954.58	7,118.77	201.47	86,871.88
Previous Year	73,355.83	6,918.07	319.32	79,954.58

	As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
12. Capital Work-in-Progress		
Cost of civil construction	2,100.00	-
Land	11,714.52	-
Plant & Machinery	9,510.89	-
Preliminary & Pre Operative Expenses	261.53	-
	23,586.94	-
13. Non-Current Investments		
Trade Investments	(₹ in Thousands)	(₹ in Thousands)
Investments in Equity Instruments (Unquoted)	10,073.00	10,073.00
Other Investments		
Investments in Others		
Gold Coins	223.33	223.33
	10,296.33	10,296.33

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

	Face value per Unit	As at 31/03/2012		As at 31/03/2011	
		Numbers	(₹ Thousands)	Numbers	(₹ Thousands)
(a) Trade Investments					
i. Investments in Equity Instruments					
Eco Wheels Pvt. Ltd.	Subsidiary ₹ 10	827100	8,271.00	827100	8,271.00
Krypton Developers Limited	Subsidiary ₹ 10	49400	494.00	49400	494.00
Barons Polymers Pvt. Ltd.	Others ₹ 10	100000	1,000.00	100000	1,000.00
Krypton Tyres Ltd.	Others ₹ 10	20000	200.00	20000	200.00
I Care International Pvt. Ltd.	Others ₹ 10	10800	108.00	10800	108.00
		1,007,300	10,073.00	1,007,300	10,073.00

Notes to the Financial Statements

	As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
19. <u>Cash and Bank Balances :</u>		
Cash and Cash Equivalents		
Deposits maturing within 12 months	31,116.02	548.24
Balance with Banks	15,128.98	871.95
Cash on hand	1,426.38	747.74
	47,671.38	2,167.93
Other Balances		
Balance with Banks:		
On Unclaimed Dividend Account	2,658.18	3,537.18
Margin Money Account	2,378.00	766.25
Balances/Deposits with Banks maturing after 12 months	1,342.52	1,148.16
EEFC A/c	91.63	52.82
	6,470.33	5,504.41
Total	54,141.71	7,672.34
20. <u>Short-term Loans and Advances</u>		
Loans and advances to related parties (a)		
Unsecured, Considered Good	(i) -	7,335.56
Loans and Advances to Others		
Unsecured, Considered Good	(ii) 1,895.80	1,617.71
Total (i+ii)	1,895.80	8,953.27
(a) Detail of outstanding loans and advances to related parties are as under :		
Krypton Industries (Suzhou) Co. Ltd.	Subsidiary	2,570.12
Eco Wheels Pvt Ltd (Wheel Division)	Subsidiary	1,748.00
Eco Wheels Pvt Ltd (Eng. Division)	Subsidiary	3,017.44
		7,335.56
21. <u>Other Current Assets</u>		
Duties and taxes	9,127.00	9,786.40

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements

	For year ended 31/03/2012 (₹ in Thousands)	For year ended 31/03/2011 (₹ in Thousands)
22. Revenue from Operations:		
Sale of Products	-	-
M.C.P. Tyres - Overseas	48,765.67	77,066.76
M.C.P. Tyres - Exports - (Sold to Eco Wheels Pvt. Ltd.)	15,341.07	6,047.59
M.C.P. Tyres - Domestic	35,273.68	17,623.56
Plastic Rim with Tyre - Overseas	10,098.36	2,650.91
Trading Goods - Overseas	21,459.37	2,752.86
Trading Goods - Domestic	4,396.71	2,946.76
Raw Material - Export (Sold to Eco Wheels Pvt. Ltd.)	1,431.62	1,022.40
Raw Material - Domestic	2.15	10.40
Consumable - Overseas (Krypton Industries Suzhou Co Ltd.)	-	171.84
Component - Overseas	-	5,549.89
P.U. Shoe Sole - Domestic	71,743.33	75,815.68
P.U. Sandles - Domestic	103,672.29	57,589.19
Wheel Chair Parts	7,186.05	-
Job Work charges	8,238.16	452.30
Other Operating Revenues		
Scrap Sales	152.33	112.97
Gross Revenue from Operations	327,760.79	249,813.11
Less: Excise Duty	6,404.18	3,845.15
Net Revenue from Operations	321,356.61	245,967.96
23. Other Income:		
Interest Income On Others	5,197.95	2,366.39
Gain/ (Loss) on sale of Long Term Investments (Net)	-	(690.23)
Profit/ (Loss) on Fixed Assets sold/ discarded (Net)	(155.35)	274.83
Rent Income	-	94.50
Other Non-Operating Income	127.13	186.61
	5,169.73	2,232.10
(a) Interest Income is gross of tax deducted at source amounting ' 481.17 thousands (Previous year ₹ 236.00 in thousands)		
24. Cost of Materials Consumed :		
Raw Material		
Opening Stock	28,424.15	20,265.62
Add : Purchased	198,214.28	151,955.86
	226,638.43	172,221.48
Less: Cost of material sold	1,336.64	831.46
	225,301.79	171,390.02
Less: Closing Stock	37,233.70	28,424.15
	188,068.09	142,965.87

Notes to the Financial Statements

	For year ended 31/03/2012 (₹ in Thousands)	For year ended 31/03/2011 (₹ in Thousands)
25. <u>Changes in Inventories:</u>		
Opening Inventories		
Work-in-Progress	6,837.38	4,757.63
Finished Goods	28,414.27	13,072.31
Upper (Produced Raw Material)	7,992.27	4,145.85
Stock-in-Trade	975.25	371.23
	44,219.17	22,347.02
Less: Closing Inventories		
Work-in-Progress	12,551.41	6,837.38
Finished Goods	21,119.66	28,414.27
Upper (Produced Raw Material)	11,194.80	7,992.27
Stock-in-Trade	484.85	975.25
	45,350.72	44,219.17
	(1,131.55)	(21,872.15)
Add: Increase/ Decrease of Excise Duty on Inventories	59.07	193.18
	(1,072.48)	(21,678.97)
26. <u>Employee Benefits Expenses :</u>		
Salaries and Wages	33,988.42	29,606.63
Contribution to Provident and other Funds	2,768.50	3,310.90
Employee Welfare	1,622.24	1,524.34
	38,379.16	34,441.87
27. <u>Power and Fuel :</u>		
Power and Fuel	7,925.43	7,089.10
28. <u>Finance Costs :</u>		
Interest Expenses	12,756.42	14,593.24
29. <u>Depreciation and Amortization Expenses :</u>		
Depreciation and Amortization Expenses	7,118.77	6,918.07

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements

	For year ended 31/03/2012 (₹ in Thousands)	For year ended 31/03/2011 (₹ in Thousands)
30. Other Expenses		
Consumption of Stores and Spares	20,960.66	16,390.83
Repairs to Machinery	1,977.79	2,139.88
Rates and Taxes	149.28	149.25
Rent	997.92	918.21
Insurance	560.18	506.08
Auditor's Remuneration - (a)	313.25	319.55
Duty on Job Work	105.85	5.03
Telephone, Telegram & Postage	912.19	1,123.85
Travelling and Conveyance Exp.	450.77	1,098.67
Professional Fees	431.71	415.63
Bank Charges	1,276.96	953.84
Discount Allowed (Net)	1,780.40	888.01
Freight and Forwarding Expenses (Net)	8,867.90	10,848.76
Commission	689.70	536.97
Cost of Consumables Sold	-	111.30
Duty on Exciseable Stock	110.86	-
Cost of Raw Material Sold	1,336.64	831.46
Excise Duty Reversed	(237.59)	-
Prior Period Items	336.90	(3.03)
Right Issue Expenses	(85.40)	3,464.95
Managerial remuneration	3,000.00	2,400.00
(Gain)/ Loss on foreign currency transactions and translation (Net)	3,140.95	(694.20)
Miscellaneous Expenses	3,172.87	3,251.36
	<u>50,249.79</u>	<u>45,656.40</u>
(a) Details of Auditor's Remuneration are as follows :		
Statutory Auditors :		
Audit Fees	220.93	198.36
Tax and Vat Audit	33.70	33.09
Other Services	58.62	88.10
	<u>313.25</u>	<u>319.55</u>
31. Exceptional Items :		
Investment in subsidiary (Krypton Industries (Suzhou) Company Limited	29,099.31	-
Less: Amount Received against the investment	15,357.49	-
Loss on sale of Krypton Industries (Suzhou) Company Limited	13,741.82	-
32. Extraordinary Items :		
33. Tax Expenses		
Current Tax		
Current Tax for the year	2,100.00	4,797.00
Current Tax Paid for earlier years	329.03	531.35
	<u>2,429.03</u>	<u>5,328.35</u>
Deferred Tax		
Deferred Tax for the year	800.85	411.79
Deferred Tax adjustments for earlier years	-	-
	<u>800.85</u>	<u>411.79</u>

Notes to the Financial Statements

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

A. Raw Materials Consumed :

Items	Imported		Indigenous		Consumed	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)
1 Dacon Yarn	1,588.00	2,189.33	-	-	1,588.00	2,189.33
2 Colour Pigments	167.48	747.98	4,689.09	3,295.93	4,856.57	4,043.91
3 Silicon Foam Stab	99.68	171.61	-	-	99.68	171.61
4 Polyol (Arcol)	27,033.57	29,828.21	26,083.36	18,346.62	53,116.93	48,174.83
5 Lupranate	21,959.57	24,063.02	28,156.28	20,236.30	50,115.85	44,299.32
6 Triethelene Diamine	179.14	239.54	1,309.00	419.05	1,488.14	658.59
7 Components	29,613.86	17,129.74	-	-	29,613.86	17,129.74
8 Methylene Chloride	-	-	1,757.02	1,528.91	1,757.02	1,528.91
9 Additive	43.59	-	6,651.65	4,333.12	6,695.24	4,333.12
10 Suprasec	4,168.68	-	-	-	4,168.68	-
11 Release Agent	-	-	1,370.53	1,389.48	1,370.53	1,389.48
12 Meg	-	-	979.69	1,267.35	979.69	1,267.35
13 Others	-	-	32,217.90	17,779.68	32,217.90	17,779.68
	84,853.57	74,369.43	103,214.52	68,596.44	188,068.09	142,965.87

B. Traded Goods :

Products	Purchases		Sales		Opening Stock		Closing Stock	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)
Mounting tools	-	-	-	-	162.63	162.63	162.63	162.63
Rim Wheel	19,955.58	2,461.74	21,459.37	2,632.96	1.19	1.19	1.19	1.19
P.P. Rim	-	-	-	59.05	7.56	7.73	7.56	7.56
Wheel Chair	-	-	-	-	49.78	49.78	49.78	49.78
ID Card	-	-	-	-	57.35	57.35	57.35	57.35
Books	-	44.22	-	119.90	-	-	-	-
Hinge-	-	-	-	-	53.50	53.50	53.50	53.50
Aluminium Spacer	-	-	-	-	0.64	0.64	0.64	0.64
Chappal / Sandal	228.47	946.39	337.06	1367.15	103.70	38.41	152.20	103.70
Hospital Equipments	3,145.89	1,997.03	4,059.65	1,520.56	538.90	-	-	538.90
	23,329.94	5,449.38	25,856.08	5,699.62	975.25	371.23	484.85	975.25

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements

C. Manufactured Goods

Products	Sales		Opening Stock		Closing Stock	
	2011-12 (₹ Thousands)	2010-11 (₹ Thousands)	2011-12 (₹ Thousands)	2010-11 (₹ Thousands)	2011-12 (₹ Thousands)	2010-11 (₹ Thousands)
MCP Tyres (including 'B' Grade Tyres)	99,380.42	100,737.91	14,778.49	10,012.69	13,375.73	14,778.49
Plastic Rim With Tyres	10,098.36	2,650.91	-	-	-	-
Components	-	5,549.89	-	-	-	-
Pu Shoe Sole	68,144.84	72,708.29	760.50	993.57	5,918.21	760.50
Pu Sandal/Chappal	101,110.55	56,863.92	12,875.28	2,066.05	1,825.72	12,875.28
Wheel Chair Parts	7,186.05	-	-	-	-	-
Upper (produced raw material)	-	-	7,992.27	4,145.85	11,194.80	7,992.27
	285,920.22	238,510.92	36,406.54	17,218.16	32,314.46	36,406.54

(Sales excludes Excise Duty of Rs. 6160.23/- in ('000), P.y. Rs.3823.66/- in ('000))

D. Work-in-Progress

	Year ended 31/03/2012		Year ended 31/03/2011	
	Opening (' Thousands)	Closing (' Thousands)	Opening (' Thousands)	Closing (' Thousands)
Raw Material	-	2,179.18	-	-
PU SHOE SOLE	4,274.27	3,562.94	3,050.46	4,274.27
PU SANDAL	2,563.11	6,157.31	1,707.17	2,563.11
Upper	-	651.98	-	-
	6,837.38	12,551.41	4,757.63	6,837.38

35. Contingent Liabilities and Commitments

	As at	As at
	31/03/2012 (₹ in Thousands)	31/03/2011 (₹ in Thousands)
A. <u>Contingent Liabilities</u>		
(a) Bank Guarantee given in favour of WBSEB and superintending Engineering	321.10	1,248.30
(b) Other money for which the Company is contingently liable :		
i. Export Bills discounted with Banks	10,189.14	10,024.66
ii. Letter of Credit	-	6,708.29
iii. Corporate Guarantee has been given to Bank of Baroda for loan taken by subsidiary M/s Eco Wheels Private Limited		

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

	Year ended	Year ended
	31/03/2012 (₹ in Thousands)	31/03/2011 (₹ in Thousands)
Loss on foreign currency transaction and translation	7,377.68	842.27
Gain on foreign currency transaction and translation	(4,236.73)	(1,536.47)
(Gain)/Loss on foreign currency transaction and translation (Net)	3,140.95	(694.20)

Notes to the Financial Statements

37. Segment Reporting

A. Primary Segment Reporting (by Business Segment) :

- (a) The Company has two reportable segments viz. Tyre and Footwear 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 follows:

	Year ended 31/03/2012			Year ended 31/03/2011		
	Tyre (₹ Thousands)	Footwear (₹ Thousands)	Total (₹ Thousands)	Tyre (₹ Thousands)	Footwear (₹ Thousands)	Total (₹ Thousands)
REVENUE						
External	139,555.82	181,800.79	321,356.61	112,944.86	133,023.10	245,967.96
Inter Segment	-	-	-	-	-	-
Total	139,555.82	181,800.79	321,356.61	112,944.86	133,023.10	245,967.96
RESULTS						
Segment Results	2,024.71	(3,238.89)	(1,214.18)	14,697.23	12,661.11	27,358.34
Unallocated Corporate Income			-			-
Unallocated corporate Expenses			-			-
Finance Costs			(12,756.42)			(14,593.24)
Tax Expenses			(3,229.88)			(5,740.14)
Profit for the period			(17,200.48)			7,024.96
OTHER INFORMATION						
Assets :						
Segment Assets	199,971.69	184,655.31	384,627.00	158,115.77	152,454.83	310,570.60
Unallocated Corporate Assets			3,066.68			2,420.30
Total Assets			387,693.68			312,990.90
Liabilities :						
Segment Liabilities	21,367.10	39,327.61	60,694.71	22,688.43	36,636.44	59,324.87
Unallocated Corporate Liabilities			3,180.27			5,695.91
Total Liabilities			63,874.98			65,020.78
Capital Expenditure	1,011.85	27,984.42	28,996.27	3,683.48	3,667.21	7,350.69
Depreciation and Amortization	4,448.92	2,669.85	7,118.77	4,415.17	2,502.90	6,918.07

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 31/03/2012				Year ended 31/03/2011			
	India (₹Thousands)	Overseas (₹Thousands)	Export (Sez) (₹Thousands)	Total (₹Thousands)	India (₹Thousands)	Overseas (₹Thousands)	Export (Sez) (₹Thousands)	Total (₹Thousands)
Revenue	224,260.52	80,323.40	16,772.69	321,356.61	150,705.71	88,192.26	7,069.99	245,967.96

(The above figures are exclusive of Excise Duty)

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements

38. Earning per Share (EPS)

	Year ended 31/03/2012 (₹ in Thousands)	Year ended 31/03/2011 (₹ in Thousands)
Profit/ (Loss) for the period (₹ 000)	(17,200.48)	7,024.96
Weighted average number of shares used in the calculation of EPS :		
Weighted average number of Basic Equity Shares outstanding	11111012	5074472
Shares deemed to be issued for no consideration in respect of Employee Stock Options	0	0
Weighted average number of Diluted Equity Shares outstanding	11111012	5074472
Face value of per share (₹)	10.00	10.00
Basic & Diluted EPS (₹)	(1.55)	1.39
Basic & Diluted EPS Last year(₹)		1.63

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

	As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
A. Bhattacharjee & Co.		
(a) Principal amount due	Nil	3.40
(b) Interest on Principal amount due	Nil	Nil
(c) Interest and Principal amount paid beyond appointment day	Nil	Nil
(d) The amount of interest due and payable for the period of delay in making payment (which) have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSME Development Act.	Nil	Nil
(e) The amount of interest accrued and remaining unpaid at the end of the year.	Nil	Nil
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSME Development Act.	Nil	Nil

40. Related Party Disclosures :

A. List of Related Parties :

(a) Enterprises where control exists :

i. Subsidiaries :

- i) Eco Wheels Private Limited
- ii) Krypton Developers Limited
- iii) Krypton Industries (Suzhou) Co. Ltd.(Ceased to be subsidiary Co. during the F.Y 11-12)

i. Key Managerial Personnel :

- i) Managing Director : Sri Jay Singh Bardia
- ii) Non Executive Director : Sri T.C.Bachhawat
Sri Tansukh Gulgulia
Sri Pradeep Kumar Singh
- iii) Chief Executive Officer : Sri P.L.Bardia*
- iv) Secretary : Sri T.K.Das

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

Notes to the Financial Statements

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 :

	2012			2011		
	Eco Wheels Pvt. Ltd.	Krypton Developers Ltd.	Krypton Industries (Suzhou) Co. Ltd.	Eco Wheels Pvt. Ltd.	Krypton Developers Ltd.	Krypton Industries (Suzhou) Co. Ltd.
	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)
Transactions for year ended 31st March :						
Sales of Products	16,772.69	-	-	7,069.99	-	-
Purchase of Consumables	-	-	-	863.74	-	-
Purchase of Raw material	36,225.89	-	-	28,451.13	-	-
Purchase of trading goods	3,145.90	-	-	1,180.05	-	-
Outstanding balances as at 31st March :						
Trade Receivables	2,964.68	-	-	4,308.79	-	170.43
Trade Payables	6,253.85	-	-	8,246.13	-	-
Investments	8,271.00	494.00	-	8,271.00	494.00	-
Loans, Advances and Deposits given	-	-	-	4,765.44	-	2,570.12
				Year ended 31/03/2012		Year ended 31/03/2011
				(₹ in Thousands)		(₹ in Thousands)

(c) **Key Managerial Personnel :**

Managing Director Remunerations (Within Ceiling limit of Schedule XIII, Part II, Sec II 1(B))	3,000.00	2,400.00
Non Executive Directors	14.50	11.00
Chief Executive Directors	600.00	600.00
Vinay Sipani (Senior Assisstant)	361.65	161.85
	<u>3,976.15</u>	<u>3,172.85</u>

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

	Year ended 31/03/2012	Year ended 31/03/2011
	(₹ in Thousands)	(₹ in Thousands)
A. C.I.F. value of imports by the Company (Excluding imported items purchased locally) :		
Raw Materials & Trading Goods & Components	59,693.99	55,779.02
Stores and Spares	2,338.54	898.07
Capital Goods	14,186.18	1,849.08
B. Expenditure in foreign currency during the year :		
Other matters	411.36	537.80

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements

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

	Value (' Thousands)		Percentage (%)	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
Raw Materials :				
Imported	84,853.57	74,369.43	45.12%	52.02%
Indigenous	103,214.52	68,596.44	54.88%	47.98%
	188,068.09	142,965.87		
Stores and Spares :				
Imported	623.15	1,844.63	2.97%	11.25%
Indigenous	20,337.51	14,546.20	97.03%	88.75%
	20,960.66	16,390.83		

D. Earnings in Foreign Exchange:

	As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
Export of Goods on F.O.B. basis	80,323.40	88,192.26

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	379.90
b) Expenses Incurred/ Deployed to Tyre Division	235.87
c) Right Issue Expenses	37.99
d) Fixed Deposit with scheduled banks	300.00
e) Depsoit with BSE (Refundable)	11.00
f) Balance lying in Current Accounts with Scheduled Bank	131.84
Total	1,096.60

43. Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the companies Act 1956, has become applicable to the company. The company has reclassified/rearranged/regrouped previous year figures to conform to this year's classification.

Note : Signatories to all Notes from 1 to 43

For **JAGDISH AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
 Firm Registration no.320253E
J.P.AGARWAL
PARTNER
 Membership No.055436

Place: Kolkata.
 Dated: The 30th Day of May, 2012

Auditor's Report on Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF KRYPTON INDUSTRIES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KRYPTON INDUSTRIES LIMITED AND ITS SUBSIDIARIES.

We have examined the attached Consolidated Balance Sheet of Krypton Industries Limited and its subsidiaries as at 31st March, 2012, and the consolidated statement of Profit & Loss and the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Krypton Industries Limited's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the generally accepted auditing Standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the Krypton Industries (Suzhou) Company Limited, whose Net Carrying Amount was ` 17,228.18 (in '000) on 30.09.2011 and total revenues of ` 48996.66 (in '000) for the period ended on that date. These financial statements and other financial information have been certified by management and our opinion is based solely on these management certified accounts.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, notified pursuant to the Companies (Accounting Standard) Rules, 2006 and on the basis of the separate audited financial statements of the Krypton Industries Limited and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports of individual audited financial statements of Krypton Industries Limited and its subsidiaries and unaudited Financial Statements of Krypton Industries (Suzhou) Company Ltd., we are of the opinion that, read together with the notes thereon, the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Krypton Industries Limited and its subsidiaries as at 31st March, 2012;
- b) in the case of the Consolidated Statement of Profit & Loss, of the Consolidated Profit of Krypton Industries Limited and its subsidiaries for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flow of Krypton Industries Limited and its subsidiaries for the year ended on that date.

For **JAGDISH AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS

Firm Registration no.320253E

J.P.AGARWAL

PARTNER

Membership No.055436

Place: Kolkata.

Dated: The 30th Day of May, 2012

KRYPTON INDUSTRIES LIMITED

Balance Sheet as at 31st March, 2012

	Note No.	As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
<u>EQUITY AND LIABILITIES</u>			
Shareholder's Funds			
Share Capital	'3'	116,110.80	43,004.00
Reserves and Surplus	'4'	<u>134,713.60</u>	<u>99,876.42</u>
		250,824.40	142,880.42
Minority Interest	'5'	12,414.74	11,432.47
Non-Current Liabilities			
Long-term Borrowings	'6'	29,560.02	33,701.87
Deferred Tax Liabilities (Net)	'7'	9,711.63	8,319.93
Other Long-term Liabilities	'8'	<u>4,454.34</u>	<u>6,560.22</u>
		43,725.99	48,582.02
Current Liabilities			
Short-term Borrowings	'9'	97,875.19	114,218.30
Trade Payables	'10'	53,168.05	55,122.55
Other Current Liabilities	'11'	18,062.98	27,307.55
Short-term Provisions	'12'	<u>100.07</u>	<u>1,975.59</u>
		<u>169,206.29</u>	<u>198,623.99</u>
TOTAL		<u>476,171.42</u>	<u>401,518.90</u>
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	'13'	150,331.31	139,306.90
Capital Work-in-Progress	'14'	23,586.94	-
Non-Current Investments	'15'	2,131.33	2,131.33
Long-term Loans and Advances	'16'	32,482.48	30,027.89
Other Non-Current Assets	'17'	<u>5,461.36</u>	<u>3,429.59</u>
		213,993.42	174,895.71
Current Assets			
Inventories	'18'	115,076.13	119,317.94
Trade Receivables	'19'	76,576.85	72,860.04
Cash and Bank Balances	'20'	57,684.32	14,411.75
Short-term Loans and Advances	'21'	3,713.70	6,755.75
Other Current Assets	'22'	<u>9,127.00</u>	<u>13,277.71</u>
		<u>262,178.00</u>	<u>226,623.19</u>
TOTAL		<u>476,171.42</u>	<u>401,518.90</u>

Summary of significant accounting policies '2'

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

For **JAGDISH AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration no.320253E
J.P.AGARWAL
PARTNER
Membership No.055436

Place: Kolkata.

Dated: The 30th Day of May, 2012

KRYPTON INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended 31st March, 2012

	Note No.	Year Ended 31/03/2012 (₹ in Thousands)	Year Ended 31/03/2011 (₹ in Thousands)
INCOME			
Gross Revenue from Operations	'23'	451,067.35	367,984.63
Less: Excise Duty		<u>6,404.18</u>	<u>3,845.15</u>
Net Revenue from Operations		444,663.17	364,139.48
Other Income	'24'	<u>6,057.24</u>	<u>3,798.50</u>
Total Revenues		<u>450,720.41</u>	<u>367,937.98</u>
EXPENSES			
Purchases of Stock-in-Trade		18,499.09	17,040.24
Cost of Materials Consumed	'25'	266,743.68	205,673.24
Changes in Inventories	'26'	315.47	(25,315.48)
Employee Benefits Expenses	'27'	47,769.40	45,170.08
Power and Fuel	'28'	10,916.52	9,572.15
Finance Costs	'29'	15,476.91	17,820.35
Depreciation and Amortization	'30'	11,271.54	11,444.40
Other Expenses	'31'	<u>74,856.52</u>	<u>69,686.85</u>
Total Expenses		<u>445,849.13</u>	<u>351,091.83</u>
Profit/ (Loss) before Exceptional and Extraordinary items and Tax		4,871.28	16,846.15
Exceptional Items	'32'	<u>1,380.47</u>	-
Profit/ (Loss) before Extraordinary items and Tax		<u>6,251.75</u>	<u>16,846.15</u>
Extraordinary Items	'33'	-	-
Profit before Tax		<u>6,251.75</u>	<u>16,846.15</u>
Tax Expenses:	'34'		
Current Tax		2,830.47	6,021.75
Deferred Tax		<u>1,391.70</u>	<u>1,320.03</u>
Profit/ (Loss) for the period (before adjustment for Minority Income)		<u>2,029.58</u>	<u>9,504.37</u>
Less: Share of profit transferred to Minority		<u>982.27</u>	<u>175.24</u>
Profit/ (Loss) for the period		<u>1,047.31</u>	<u>9,329.13</u>
Earnings per Equity Share :			
Basic & Diluted EPS (₹)	'38'	0.09	1.84
Basic & Diluted EPS Last year(₹)		-	2.17
Summary of significant accounting policies	'2'		

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

For **JAGDISH AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration no.320253E
J.P.AGARWAL
PARTNER
Membership No.055436

Place: Kolkata.
Dated: The 30th Day of May, 2012

KRYPTON INDUSTRIES LIMITED

Cash Flow Statement for the year ended 31st March, 2012

	Year ended 31/03/2012 (₹ in Thousands)	Year ended 31/03/2011 (₹ in Thousands)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	6,251.75	16,846.15
Adjustment for :		
Finance Costs	15,476.91	17,820.35
Depreciation and Amortization Expenses	11,271.54	11,444.40
Loss/ (Gain) on sale of fixed assets	8,855.71	(274.83)
Amortisation of preliminary expenses	3,513.83	1,518.79
Loss/ (Gain) on Derivative transactions	-	1,123.65
Income from Investing Activities	(5,607.13)	(2,704.15)
Profit on sale of Subsidiary (Exceptional Item)	(1,380.47)	-
	<u>32,130.39</u>	<u>28,928.21</u>
Operating profit before working capital changes	38,382.14	45,774.36
Changes in working Capital :		
Inventories	4,241.81	(46,314.07)
Trade and other Receivables	(3,716.81)	24.17
Trade and other Payables	(1,954.50)	21,084.28
	<u>(1,429.50)</u>	<u>(25,205.62)</u>
Cash generation from Operation	36,952.64	20,568.74
Payment of Direct Taxes	(5,212.33)	(4,436.69)
Cash flow before extraordinary activities	<u>31,740.31</u>	<u>16,132.05</u>
Extraordinary activities	-	(86.36)
Net Cash generated/ (used) - Operating Activities	31,740.31	16,045.69
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(31,311.66)	(12,318.23)
Capital work in progress	(23,586.94)	-
Sale of Fixed Assets	160.00	418.16
Proceeds from sale of subsidiary	15,357.49	-
Proceeds/ Repayment of Current assets (Net)	659.40	-
Sale of assets and liabilities of subsidiary	(13,977.02)	2,851.35
Proceeds/ Repayment of Loans from/to Body Corporate (Net)	3,074.53	-
Decrease in short term provision	(178.52)	-
Increase in long term loans and advances and non current asset	(1,837.68)	-
Decrease in other long term liabilities and other liabilities	(9,772.81)	-
Interest Received	3,583.42	1,325.68
Dividend Received	4.89	-
Net Cash Generated/ (Used) - Investing Activities	(57,824.90)	(7,723.04)

**KRYPTON INDUSTRIES
LIMITED**

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from issue of Shares	109,660.21	-
Foreign Currency translation Reserve	(2,763.54)	(251.45)
Capital Public Reserve	-	2.78
Repayment of Long-term Borrowings	(4,141.85)	(14,489.84)
Proceeds/ Repayment of Short-term Borrowings (Net)	(16,343.11)	24,539.41
Finance Cost Paid	(16,175.56)	(17,031.78)
Dividend Paid (includes amount transferred to Investor Education & Protection Fund)	(878.99)	(1.01)
Net Cash Generated/ (Used) - Financing Activities	<u>69,357.16</u>	<u>(7,231.89)</u>
Net Increase/ (Decrease) in Cash and Cash Equivalents	43,272.57	1,090.76
Add : Opening Cash and Cash Equivalents	14,411.75	13,320.99
Closing Cash and Cash Equivalents	<u>57,684.32</u>	<u>14,411.75</u>

For **JAGDISH AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS

Firm Registration no.320253E

J.P.AGARWAL

PARTNER

Membership No.055436

Place: Kolkata.

Dated: The 30th Day of May, 2012

KRYPTON INDUSTRIES LIMITED

Notes to financial statement as at and for the year ended 31st March, 2012

1. Corporate Information

Krypton Industries Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The company is primarily engaged in the business of manufacturing of MCP Tyres, Caster Wheels and PU Sandals/ Soles/ Chappals and related components.

The Consolidated Financial Statements includes the financial statements of Krypton Industries Limited and its subsidiaries. The List of subsidiaries considered in these consolidated financial statements with percentage of holding is given below :

Name of the Company	Country of Incorporation	Proportion of Ownership interest as on 31st March, 2012	Proportion of Ownership interest as on 31st March, 2011
Direct Subsidiaries			
Krypton Developers Limited	India	98.80%	98.80%
Krypton Industries (Suzhou) Company Limited	China	N.A.*	100%
Eco Wheels Private Limited	India	75.19%	75.19%

*Ceased to be subsidiary during the F.Y. 2011-12.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. BASIS OF ACCOUNTING :

The consolidated financial statements relate to Krypton Industries Limited and its subsidiaries (together referred to as "the Group"). The consolidated financial statements are prepared under the Historical Cost Convention, on accrual basis of accounting to comply in all material respects, with the mandatory Accounting Standards as notified by Companies (Accounting Standards) Rules, 2006 as amended and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Group; and the accounting policies not referred to otherwise, are in conformity with the Indian Generally accepted Accounting Principles (Indian GAAP).

2.2. Principles of Consolidation

The consolidated financial statements represent consolidation of Financial Statement of Krypton Industries Limited and its subsidiary companies M/s. Eco Wheels Private Limited, M/S Krypton Developers Limited & M/S Krypton Industries (Suzhou) Co. Ltd (till 30.09.2011). The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Parent Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities (except for the foreign subsidiary) , income and expenses, after fully eliminating intra - group balances and intra - group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements" as notified by Companies (Accounting Standards) Rules, 2006 as amended and the relevant provisions of the Companies Act, 1956.
- ii) Minority Interest's share of net assets of subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.

Notes to financial statement as at and for the year ended 31st March, 2012

- iii) The Accounts of Indian Subsidiaries have been prepared in compliance with the Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government and those of foreign subsidiaries have been prepared in the compliance with the local laws of the foreign Countries. However wherever necessary, the figures have been reclassified/regrouped to bring the same, in line with the Parent Company's Financial Statements.
- iv) There is no excess / shortfall of Cost to the Company of its Investments in the subsidiary Company compared to Parent's portion of equity in the subsidiary companies.
- v) In terms of Accounting Standards (AS) - 21, the Minority Interest has been computed in respect of M/s. Eco Wheels Private Limited, & M/S Krypton Developers Limited a non-fully owned subsidiary, from the date when this Company became a subsidiary of M/s. Krypton Industries Limited.
- vi) Investments other than in subsidiaries have been accounted for as per AS 13 on "Accounting for Investments".

vii) FIXED ASSETS

All fixed assets are valued at Cost less accumulated Depreciation.

viii) INVESTMENT

Long Term Investment is stated at cost less provision, if any, for diminution, which is other than temporary in nature.

x) INVENTORIES

- a) Finished Goods and trading Goods- At cost or net realizable value, whichever is lower.
- b) Raw Materials- stores, Spare parts, Packing Materials & Components- At cost.
- c) The value of Finished Goods includes Excise Duty.
- d) Produced Raw Material - at cost.

xi) DEPRECIATION- Indian Companies

- a) Depreciation on Fixed Assets has been provided on Straight Line Method at the rates prescribed in the Schedule XIV of the Companies Act, 1956.
- b) In the case of Moulds the cost of Moulds is being amortized over the estimated life of Moulds.

DEPRECIATION- Foreign Companies

- a) Depreciation has been provided by the Foreign Subsidiary on the methods and at the rates required/ permissible by the local laws of the country of its incorporation.

xii) FOREIGN CURRENCY

- a) Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.
- b) At each Balance sheet date, monetary foreign currency items are reported using closing rates.

KRYPTON INDUSTRIES LIMITED

Notes to financial statement as at and for the year ended 31st March, 2012

- c) Exchange differences arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.
- d) Financial statements of Foreign Subsidiary has been translated as under:-
 - Assets & Liabilities at the rate prevailing at the end of the year (for previous year). Depreciation is accounted at the same rate at which assets are converted. Revenues and expenses have been converted at yearly average exchanges rates prevailing during the year.
 - Exchange differences arising on translation of financial statements of the Foreign Subsidiary are shown in the Foreign Currency Translation Reserve.

xiii) RECOGNITION OF INCOME AND EXPENDITURE

Sales are recognized when goods are supplied and are recorded net of trade discount and Taxes. Other Income and expenses are accounted for on accrual basis and provisions is made for all known losses and expenses.

xiv) PROVISIONS FOR RETIREMENT BENEFITS

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.

xv) SEGMENT ACCOUNTING

To identify segment based on the dominant source and nature of risk and returns and the internal organization and management structure.

To include under "Unallocated Corporate Expenses" revenue and expenses which relate to the enterprise as a whole and are not attributable to segments.

xvi) TAXATION

- a) Indian Companies

Provision for Tax is made for both current and deferred taxes. Current Tax is provided on the taxable income 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 recognized using tax rates and tax laws, which have been enacted or substantively enacted.

- b) Foreign company

During the Financial Year, the foreign subsidiary has not recognized any tax liabilities and assets as it has ceased to be a subsidiary company.

KRYPTON INDUSTRIES LIMITED

3. Share Capital :

	Note No.	As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
Authorized Shares :			
1,50,00,000 (Previous year 1,50,00,000) Equity Shares of ₹ 10 each.		<u>150,000.00</u>	<u>150,000.00</u>
Issued, Subscribed and Paid-up Shares :			
1,16,11,080 (Previous year 43,00,400) Equity Shares of ₹ 10 each of full paid		<u>116,110.80</u>	<u>43,004.00</u>

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

	2011-12 Numbers	(₹ Thousands)	2010-11 Numbers	(₹ Thousands)
Equity Shares outstanding at the beginning of the year	43,00,400	43,004.00	43,00,400	43,004.00
Add: Equity Shares Issued during the year	73,10,680	73,106.80	-	-
Less: Equity Shares bought back/ redeemed during the year	-	-	-	-
Equity Shares outstanding at the end of the year	1,16,11,080	116,110.80	43,00,400	43,004.00

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 As at 31/03/2012		As at 31/03/2011	
	Number of Share held	Percentage of Holding	Number of Shares held	Percentage of Holding
Poly Air Tires Inc*#	-	-	3,24,000	7.53%
Kanhaiyalal Bardia*	-	-	4,49,500	10.45%
Richard W Benham*	-	-	3,10,000	7.21%
Jay Singh Bardia	10,46,500	9.01%	-	-
Panna Lal Bardia	8,70,419	7.50%	-	-

*Percentage of shareholding is less than 5% as on 31.03.2012, hence the figures are not shown.

The allotment of 3,24,000/- equity shares to the Foreign Collaborator for the technical Know how fees is subject to the approval of Reserve bank of India.

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements

		As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
4. Reserves and Surplus :			
Capital Reserve	(A)	<u>4,457.00</u>	<u>4,457.00</u>
<u>Foreign Currency Translation Reserve</u>			
Opening Balance		2,760.76	3,012.21
Less: Reduce during the year due to sale of Subsidiary		(2,760.76)	(251.45)
Closing Balance	(B)	<u><u>-</u></u>	<u><u>2,760.76</u></u>
<u>Capital Public Reserve</u>			
Opening Balance		2.78	-
Add: During the year		-	2.78
Less: Reduce during the year due to sale of Subsidiary		(2.78)	-
Closing Balance	(C)	<u><u>-</u></u>	<u><u>2.78</u></u>
<u>Securities Premium Account</u>			
Opening Balance		-	-
Add: Premium on issue of Equity Shares		36,553.41	-
Closing Balance	(D)	<u><u>36,553.41</u></u>	<u><u>-</u></u>
General Reserve	(E)	<u>5,707.51</u>	<u>5,707.51</u>
<u>Surplus/ (deficit) in the Statement of Profit and Loss :</u>			
Opening Balance		86,948.37	77,619.24
Add: Profit/(loss) for the period		2,029.58	9,504.37
		88,977.95	87,123.61
Less: Transfer to Minority Interest		(982.27)	(175.24)
Net surplus / (deficit) in the statement of Profit & Loss	(F)	<u><u>87,995.68</u></u>	<u><u>86,948.37</u></u>
Total Reserve and Surplus (A+B+C+D+E+F)		<u><u>134,713.60</u></u>	<u><u>99,876.42</u></u>

Notes to the Financial Statements

	As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
5. <u>Minority Interest</u>		
Represents 24.81% of Equity of M/s Eco wheels Pvt. Ltd and 1.20% of Equity of M/s Krypton Developers Ltd.		
As Per Last Balance Sheet	11,432.47	11,257.23
Add: Transfer From Profit and Loss A/c	982.27	175.24
Closing Balance	12,414.74	11,432.47

6. Long-term Borrowings

	Non Current Maturities		Current Maturities	
	31/03/2012 (‘ Thousands)	31/03/2011 (‘ Thousands)	31/03/2012 (‘ Thousands)	31/03/2011 (‘ Thousands)
Term Loan from Banks (Secured)	-	4,150.00	4,216.09	5,903.00
Loans and Advances from Other Parties (Unsecured)	28,133.17	27,333.17	18,236.66	38,581.50
Car Loan (Secured)	1,426.85	2,218.70	791.85	1,074.14
	29,560.02	33,701.87	23,244.60	45,558.64
The above amount includes :				
Secured Borrowings	1,426.85	6,368.70	5,007.94	6,977.14
Unsecured Borrowings	28,133.17	27,333.17	18,236.66	38,581.50
Amount disclosed under the head Short term borrowings “(Note 9)”			(23,244.60)	(45,558.64)
	29,560.02	33,701.87	-	-

- A.** Term loan from Bank of Baroda was taken during the financial year 2007-08 and carries interest @ 13.5% p.a. The loan is repayable in 16 quarterly installment of ‘ 1671 (in ‘000) and 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, hypothecation of DP Note, 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 along with Personal guarantee of Mr. T.S Gulgulia, Director of the company.
- B.** 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.
- C.** Car loan from Axis Bank was taken during the financial year 2009-2010 and carries interest @ 10.60% p.a. The loan is repayable in 36 monthly installment of ‘ 20.51 (in ‘000), inclusive of interest from the date of Loan. The car loan is secured by hypothecation of Fiat Lenia Car itself.
- D.** Car loan from Axis Bank was taken during the financial year 2009-2010 and carries interest @ 12.22% p.a. The loan is repayable in 36 monthly installment of ‘ 13.06 (Rs in 000), inclusive of interest from the date of Loan. The car loan is secured by hypothecation of Maruti Dezire itself.
- E.** Car loan from Kotak Mahindra Bank was taken during the financial year 2009-2010 and carries interest @ 9.86% p.a. The loan is repayable in 36 monthly installment of ‘ 16.02 (Rs in 000), inclusive of interest from the date of Loan. The car loan is secured by hypothecation of Bolero itself.
- F.** Car loan from Kotak Mahindra Bank was taken during the financial year 2009-2010 and carries interest @ 5.75% p.a. The loan is repayable in 36 monthly installment of ‘ 9.61 (Rs in 000), inclusive of interest from the date of Loan. The car loan is secured by hypothecation of Wagon-R itself.

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements

	As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
7. <u>Deferred Tax Liabilities (Net)</u>		
Deferred Tax Liabilities		
Opening Balance	8,319.93	6,999.90
Depreciation and Amortization Expenses	<u>1,391.70</u>	<u>1,320.03</u>
Deferred Tax Liabilities (Net)	<u>9,711.63</u>	<u>8,319.93</u>
8. <u>Other Long-term Liabilities</u>		
Trade Payables	749.60	702.34
Commission Payable	3,054.13	4,846.98
Other Liabilities	<u>650.61</u>	<u>1,010.90</u>
	<u>4,454.34</u>	<u>6,560.22</u>
9. <u>Short-term Borrowings</u>		
Current Maturities of Long term Borrowings	23,244.60	45,558.64
Cash Credit (Secured)	47,824.07	46,548.70
Packing Credit (Secured)	26,806.52	14,226.40
PSDL Loan (Secured)	-	4,365.00
Loan against FD (Secured)	-	3,519.56
	<u>97,875.19</u>	<u>114,218.30</u>

- a. For current Maturities of long term borrowings please refer to Note 6.
- b. The cash credit from Bank of Baroda was taken during the financial year 2010-11 which carries interest @16% p.a. and 13.5% p.a. and during the financial year 2011-12 @14.25% p.a. This loan is repayable as per term each along with interest, from the date of loan. This loan is secured by hypothecation of both present and future stock of raw material, work in progress, Finished goods, hypothecation of DP Note, 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.
- c. The Packing credit Loan from Bank of Baroda was taken during the financial year 2009-10 which carries interest @13.5% p.a. and during the financial year 2011-12 @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 both present and future stock of raw material, work in progress, Finished goods, hypothecation of DP Note, 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 of the company.

Notes to the Financial Statements

- d. The Buyers credit Loan from Bank of Baroda was taken during the financial year 2010-11 and carries interest @4.50 % p.a. The loan is repayable as per term each along with interest, from the date of loan. The Buyers credit loan is secured by hypothecation of both present and future stock of raw material, work in progress, Finished goods, hypothecation of DP Note, 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 along with Personal guarantee of Mr. T.S Gulgulia, Director of the company.

10. Trade Payables

	As at 31/03/2012	As at 31/03/2011
	(₹ in Thousands)	(₹ in Thousands)
Payable to Micro, Small and Medium Enterprises	25.87	78.19
Trade Payables	53,142.18	55,044.36
	<u>53,168.05</u>	<u>55,122.55</u>

11. Other Current Liabilities

Interest accrued and due on borrowings	1,434.25	2,132.90
Unpaid Dividends	2,658.19	3,537.18
Customers' Credit Balances and Advances against orders	230.98	272.84
Statutory dues Payables		
Tax deducted at Source Payable	548.77	502.18
Provident Fund, ESI, and other Government Charges	437.09	410.05
W.B. Profession Tax Payable	2.85	2.37
Duties and Taxes	51.67	616.54
Other Liabilities	12,699.18	19,833.49
	<u>18,062.98</u>	<u>27,307.55</u>

12. Short-term Provisions

Provision for Current Tax (Net of Advance Tax)	41.00	1,738.00
Provision for Excise Duty Payable	59.07	237.59
	<u>100.07</u>	<u>1,975.59</u>

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**As at
31/03/2012**
(₹ in Thousands)

**As at
31/03/2011**
(₹ in Thousands)

13. Tangible Assets

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

	Cost/Accumulated Depreciation/Accumulated Impairment/Net/Carrying Amount							
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)
Freehold Land	3,677.51	3,677.51	-	-	-	-	3,677.51	3,677.51
Buildings	76,207.25	61,656.54	17,264.84	15,176.60	-	-	58,942.41	46,479.94
Plant and Equipment	142,921.77	143,447.44	72,079.49	69,894.43	-	-	70,842.28	73,553.01
Furniture and Fixtures	8,263.44	6,043.79	3,621.42	3,396.57	-	-	4,642.02	2,647.22
Electric Installations	10,280.63	9,486.57	4,335.70	3,720.93	-	-	5,944.93	5,765.64
Vehicles and Aircraft	6,930.36	7,447.18	2,093.00	1,659.66	-	-	4,837.36	5,787.52
Office Equipment	4,802.52	4,877.01	3,491.88	3,652.75	-	-	1,310.64	1,224.26
Computer	889.24	872.14	755.08	700.34	-	-	134.16	171.80
	253,972.72	237,508.18	103,641.41	98,201.28	-	-	150,331.31	139,306.90

(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		Disposals	Other Adjustments	As at 31/03/2012
	31/03/2011	Additions			
	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)
Freehold Land	3,677.51	-	-	-	3,677.51
Buildings	61,656.54	14,550.71	-	-	76,207.25
Plant and Equipment	143,447.44	13,094.41	13,620.08	-	142,921.77
Furniture and Fixtures	6,043.79	2,219.65	-	-	8,263.44
Electric Installations	9,486.57	794.06	-	-	10,280.63
Vehicles and Aircraft	7,447.18	-	516.82	-	6,930.36
Office Equipment	4,877.01	635.73	710.22	-	4,802.52
Computer	872.14	17.10	-	-	889.24
	237,508.18	31,311.66	14,847.12	-	253,972.72
Previous Year	225,652.60	12,318.23	462.65	-	237,508.18

Accumulated Depreciation	As at		Deductions/ Other Adjst.	As at 31/03/2012
	31/03/2011	Additions		
	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)
Freehold Land	-	-	-	-
Buildings	15,176.60	2,088.24	-	17,264.84
Plant and Equipment	69,894.43	7,364.25	5,179.19	72,079.49
Furniture and Fixtures	3,396.57	224.85	-	3,621.42
Electric Installations	3,720.93	614.77	-	4,335.70
Vehicles and Aircraft	1,659.66	634.81	201.47	2,093.00
Office Equipment	3,652.75	289.88	450.75	3,491.88
Computer	700.34	54.74	-	755.08
	98,201.28	11,271.54	5,831.41	103,641.41
Previous Year	87,076.20	11,444.40	319.32	98,201.28

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements

	As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
14. Capital Work-in-Progress		
Cost of Civil Construction	2,100.00	-
Land	11,714.52	-
Plant & Machinery	9,510.89	-
Preliminary & Pre Operative Expenses	261.53	-
	23,586.94	
15. Non-Current Investments		
Trade Investments		
Investments in Equity Instruments (Unquoted) (A)	1,508.00	1,508.00
Other Investments		
Investments in Equity Instruments (Quoted) (B)	400.00	400.00
Investments in Others		
Gold Coins (C)	223.33	223.33
Total (A+B+C)	2,131.33	2,131.33

A. Aggregate amount and of quoted and unquoted investments and aggregate market value of quoted investments are given below :

Aggregate amount of Unquoted Investments	1,508.00	1,508.00
Aggregate amount of Quoted Investments	400.00	400.00
Aggregate market value of Quoted Investments	340.94	402.85
Aggregate provision for diminution in value of Investments	-	-

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

	Face value		As at 31/03/2012		As at 31/03/2011	
	per Unit	Numbers	(₹Thousands)	Numbers	(₹Thousands)	(₹Thousands)
(a) Trade Investments (Unquoted)						
Investments in Equity Instruments						
Barons Polymer Pvt. Ltd. Others ₹ 10		1,00,000	1,000.00	1,00,000	1,000.00	
Krypton Tyres Ltd. Others ₹ 10		40,000	400.00	40,000	400.00	
I Care International Pvt. Ltd. Others ₹ 10		10,800	108.00	10,800	108.00	
			1,508.00		1,508.00	
(b) Other Investments (Quoted)						
Investments in Equity Instruments						
Franklin India High Growth (MF) Others ₹ 10		9779.951	100.00	9779.951	100.00	
Baroda Pioneer Infrastructure Fund Others ₹ 10		30,000	300.00	30,000	300.00	
			400.00		400.00	

C. Although the market value of certain investments 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.

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements

		As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
16. Long-term Loans and Advances :			
Capital Advances			
<i>Unsecured, Considered Good</i>	(A)	<u>2,945.32</u>	<u>2,400.76</u>
Security Deposits			
<i>Unsecured, Considered Good</i>	(B)	<u>1,810.09</u>	<u>637.01</u>
Loans and Advances to others			
<i>Unsecured, Considered Good</i>		<u>24,958.78</u>	<u>24,698.30</u>
Income tax		<u>2,768.29</u>	<u>2,291.82</u>
	(C)	<u>27,727.07</u>	<u>26,990.12</u>
Total (A+B+C)		<u>32,482.48</u>	<u>30,027.89</u>
17. Other Non-Current Assets :			
Long Term Trade Receivables			
<i>Unsecured, Considered Good</i>		<u>3,262.40</u>	<u>3,249.02</u>
Unamortized Expenses		<u>1,887.53</u>	<u>45.05</u>
TDS Recievable		<u>311.43</u>	<u>135.52</u>
		<u>5,461.36</u>	<u>3,429.59</u>
18. Inventories :			
Raw Materials		<u>46,945.16</u>	<u>46,789.79</u>
Work-in-Progress		<u>12,551.41</u>	<u>8,925.14</u>
Consumable Stores		<u>2,302.30</u>	<u>1,333.72</u>
Finished Goods		<u>34,446.64</u>	<u>45,069.86</u>
Stock-in-Trade		<u>509.01</u>	<u>999.41</u>
Stores and Spares		<u>6,804.49</u>	<u>7,906.43</u>
Upper (Produced Raw Material)		<u>11,194.80</u>	<u>7,992.27</u>
Packing Material		<u>322.32</u>	<u>301.32</u>
		<u>115,076.13</u>	<u>119,317.94</u>
(a) Detail of goods in transit, included in above inventories, are given :)			
Raw Materials		<u>-</u>	<u>1,965.60</u>
19. Trade Receivables :			
Outstanding for a period exceeding six months		<u>14,136.25</u>	<u>10,960.06</u>
<i>Unsecured, Considered Good</i>			
Outstanding for a period less than six months		<u>62,440.60</u>	<u>61,899.98</u>
<i>Unsecured, Considered Good</i>		<u>76,576.85</u>	<u>72,860.04</u>

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements

	As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
20. Cash and Bank Balances :		
Cash and Cash Equivalents		
Deposits maturing within 12 months	31,116.02	801.38
Current Accounts	15,800.01	3,567.35
Cash on hand	<u>1,998.02</u>	<u>1,059.40</u>
	48,914.05	5,428.13
Other Balances		
Balance with Banks :		
Unclaimed Dividend Account	2,658.18	3,537.18
Margin Money Account	3,715.09	2,310.50
Balances/Deposits with Banks maturing after 12 months	2,158.46	2,936.21
EEFC A/c	<u>238.54</u>	<u>199.73</u>
	8,770.27	8,983.62
Total	<u>57,684.32</u>	<u>14,411.75</u>
21. Short-term Loans and Advances		
Security Deposits		
<i>Unsecured, Considered Good</i>	378.30	340.90
Income tax deducted at source		
<i>Unsecured, Considered Good</i>	304.37	271.89
Duties and taxes	-	27.02
Loans and Advances to Others		
<i>Unsecured, Considered Good</i>	<u>3,031.03</u>	<u>6115.94</u>
	3,713.70	6,755.75
22. Other Current Assets		
Unamortized Expenses	-	3,491.31
Duties and taxes	<u>9,127.00</u>	<u>9,786.40</u>
	9,127.00	13,277.71
23. Revenue from Operations :		
	Year ended 31/03/2012 (₹ in Thousands)	Year ended 31/03/2011 (₹ in Thousands)
Sale of Products	442,829.19	367,532.33
Sale of Services	<u>8,238.16</u>	<u>452.30</u>
Gross Revenue from Operations	451,067.35	367,984.63
<i>Less: Excise Duty</i>	<u>6,404.18</u>	<u>3,845.15</u>
Net Revenue from Operations	<u>444,663.17</u>	<u>364,139.48</u>

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements

	Year ended 31/03/2012 (₹ in Thousands)	Year ended 31/03/2011 (₹ in Thousands)
24. Other Income :		
Interest Income On Long term Investments	-	15.77
Interest Income On Others	5,602.24	2,688.38
Dividend Income On Long-term Investments	4.89	5.87
Gain/ (Loss) on sale of Long Term Investments (Net)	-	(690.23)
Profit/ (Loss) on Fixed Assets sold/ discarded (Net)	(155.35)	274.83
Rent Income	180.00	394.50
Other Non-Operating Income	425.46	1,109.38
	<u>6,057.24</u>	<u>3,798.50</u>
(a) Interest Income is gross of tax deducted at source amounting ' 519.65 thousands (Previous year ' 271.37 in thousands)		
(b) Dividend Income on long term investments include ' NIL (Previous year ' NIL) received from subsidiary companies.		
25. Cost of Materials Consumed :		
Raw Material		
Opening Stock	46,789.79	31,429.97
Add: Purchased	271,462.28	222,803.06
	<u>318,252.07</u>	<u>254,233.03</u>
Less : Cost of material sold	4,563.23	1,770.00
	<u>313,688.84</u>	<u>252,463.03</u>
Less : Closing Stock	46,945.16	46,789.79
	<u>266,743.68</u>	<u>205,673.24</u>
26. Changes in Inventories :		
Opening Inventories		
Work-in-Progress *	6,837.38	6,236.53
Finished Goods *	43,129.20	26,724.41
Upper (Produced Raw Material)	7,992.27	4,145.85
Stock-in-Trade	999.41	
	<u>58,958.26</u>	<u>37,478.02</u>
Less: Closing Inventories		
Work-in-Progress	12,551.41	8,925.14
Finished Goods	34,446.64	45,069.86
Upper (Produced Raw Material)	11,194.80	7,992.27
Stock-in-Trade	509.01	999.41
	<u>58,701.86</u>	<u>62,986.68</u>
	256.40	(25,508.66)
Add: Increase/ Decrease of Excise Duty on Inventories	59.07	193.18
Changes in Inventories	<u>315.47</u>	<u>(25,315.48)</u>
* Work- in-Progress and Finished Goods Opening balances for the current Financial Year are exclusive of Krypton Industries (Suzhou) Co. Ltd.		
27. Employee Benefits Expenses :		
Salaries and Wages	42,083.64	38,049.08
Contribution to Provident and other Funds	3,493.54	4,000.63
Employee Welfare	2,192.22	3,120.37
	<u>47,769.40</u>	<u>45,170.08</u>

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements

	Year ended 31/03/2012 (₹ in Thousands)	Year ended 31/03/2011 (₹ in Thousands)
28. Power and Fuel :		
Power and Fuel	<u>10,916.52</u>	<u>9,572.15</u>
29. Finance Costs :		
Interest Expenses	<u>15,476.91</u>	<u>17,820.35</u>
30. Depreciation and Amortization Expenses :		
Depreciation and Amortization Expenses	<u>11,271.54</u>	<u>11,444.40</u>
31. Other Expenses :		
Consumption of Stores and Spares	29,429.02	22,261.99
Repairs to Machinery	2,123.39	2,232.01
Rates and Taxes	232.75	309.50
Rent	2,541.54	3,288.58
Insurance	620.83	815.68
Auditor's Remuneration - (a)	447.45	445.40
Duty on Job Work	105.85	5.03
Telephone, Telegram & Postage	1,049.75	1,246.03
Travelling and Conveyance Exp.	461.20	2,104.03
Professional Fees	448.32	432.57
Bank Charges	1,952.06	1,691.12
Discount Allowed (Net)	1,789.80	924.43
Freight and Forwarding Expenses (Net)	10,754.94	14,626.51
Commission	787.76	1,156.59
Cost of Consumables Sold	-	111.30
Duty on Exciseable Stock	110.86	-
Cost of Raw Material Sold	4,563.23	1,770.00
Excise Duty Reversed	(237.59)	-
Provision for Doubtful Loans, Advances and Debts (Net)	175.98	-
Prior Period Items (Net)	401.33	596.70
Right Issue Expenses	(85.40)	3,464.95
Managerial Remuneration	3,000.00	2,400.00
Director's Fees, Remuneration	600.00	600.00
(Gain)/ Loss on Change in Fair Value of Derivatives (Net)	-	433.42
(Gain)/ Loss on foreign currency transactions and translation (Net)	5,640.71	(726.51)
Penalty Interest on SEZ Land	213.36	-
Preliminary Exp. Written Off	770.66	1,518.79
Miscellaneous Expenses	<u>6,958.72</u>	<u>7,978.73</u>
	<u>74,856.52</u>	<u>69,686.85</u>
(a) Details of Auditor's Remuneration are as follows :		
Statutory Auditors :		
Audit Fees	285.54	258.47
Tax and Vat Audit	56.17	49.64
Others Services	<u>105.74</u>	<u>137.29</u>
	<u>447.45</u>	<u>445.40</u>

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements

	Year ended 31/03/2012 (₹ in Thousands)	Year ended 31/03/2011 (₹ in Thousands)
32. Exceptional Items		
Carrying amount of Asset - Liabilities of Krypton Industries (Suzhou) Co. Ltd. on 30.09.2011	17,228.18	-
Less: Foreign Exchange Fluctuation	<u>3,251.16</u>	-
Net Carrying amount	13,977.02	-
Less: Amount Received against Investment	15,357.49	-
Profit on sale of Subsidiary (Krypton Industries (Suzhou) Co. Ltd.)	<u>(1,380.47)</u>	<u>-</u>
33. Extraordinary Items		
34. Tax Expenses		
Current Tax		
Current Tax for the year	2,100.00	5,411.06
Current Tax paid for earlier years	<u>730.47</u>	<u>610.69</u>
	<u>2,830.47</u>	<u>6,021.75</u>
Deferred Tax		
Deferred Tax for the year	1,391.70	1,320.03
Deferred Tax adjustments for earlier years	-	-
	<u>1,391.70</u>	<u>1,320.03</u>
35. Contingent Liabilities and Commitments		
	As at 31/03/2012 (₹ in Thousands)	As at 31/03/2011 (₹ in Thousands)
A. Contingent Liabilities		
(a) Bank Guarantee	1,070.60	1,519.80
(b) Other money for which the Company is contingently liable:		
i. Export Bills discounted with Banks	10,189.14	15,707.47
ii. Letter of Credit	<u>6,930.33</u>	<u>14,068.16</u>
36. Gain or Loss on Foreign Currency Transaction and Translation		
	Year ended 31/03/2012 (₹ in Thousands)	Year ended 31/03/2011 (₹ in Thousands)
Loss on foreign currency transaction and translation	10,444.29	1,746.10
Gain on foreign currency transaction and translation	<u>(4,803.58)</u>	<u>(2,472.61)</u>
(Gain)/ loss on foreign currency transaction and translation	<u>5,640.71</u>	<u>(726.51)</u>

Notes to the Financial Statements

37. Segment Reporting

A. Primary Segment Reporting (by Business Segment) :

- (a) The Company has two reportable segments viz. Tyre, Rims, Metal Parts Wheel Chairs & Others and secondly Footwear 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). The details of the revenue, results, assets, liabilities and other information from operations by reportable business segments are follows:

	Year ended 31/03/2012			Year ended 31/03/2011		
	Tyres, Rims, Metal parts, Wheel Chair & Others	Footwear	Total	Tyres, Rims, Metal parts, Wheel Chair & Others	Footwear	Total
	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)
REVENUE						
External	262,862.36	181,800.79	444,663.15	231,116.38	133,023.10	364,139.48
Inter Segment	-	-	-	-	-	-
Total	262,862.36	181,800.79	444,663.15	231,116.38	133,023.10	364,139.48
RESULTS						
Segment/Operating Results	24,967.54	(3,238.89)	21,728.65	22,005.39	12,661.11	34,666.50
Unallocated Corporate Income			-			-
Unallocated corporate Expenses			-			-
Finance Costs			(15,476.91)			(17,820.35)
Tax Expenses			(4,222.17)			(7,341.78)
Profit for the period			2,029.57			9,504.37
OTHER INFORMATION						
Assets :						
Segment Assets	288,132.01	184,655.31	472,787.32	246,368.26	152,454.83	398,823.09
Unallocated Corporate Assets			3,384.09			2,695.81
Total Assets			476,171.41			401,518.90
Liabilities :						
Segment Liabilities	33,209.87	39,327.61	72,537.48	48,552.11	36,636.44	85,188.55
Unallocated Corporate Liabilities			3,247.96			5,777.36
Total Liabilities			75,785.44			90,965.91
Capital Expenditure	3,327.23	27,984.42	31,311.65	8,651.02	3,667.21	12,318.23
Depreciation and Amortization	8,601.69	2,669.85	11,271.54	8,941.50	2,505.90	11,447.40
Other Non-Cash Expenses	22.52	-	22.52	1,518.79	-	1,518.79

B. Secondary Segment Reporting (by Geographical Demarcation) :

- (a) The secondary segment is based on geographical demarcation i.e. Domestic and Overseas
- (b) The Company's revenue from external customers and information about its assets and others by geographical location are follows :

	Year ended 31/03/2012			Year ended 31/03/2011		
	Domestic	Overseas	Total	Domestic	Overseas	Total
	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)
Revenue	302,831.92	141,831.23	444,663.15	212,357.43	151,782.05	364,139.48
Assets	476,171.41	-	476,171.41	369,402.50	32,116.40	401,518.90
Capital Expenditure*	54,898.59	-	54,898.59	11,917.91	400.32	12,318.23

*includes Capital W.I.P. of ₹ 23586.94 (in Thousands), P.Y. Nil.

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements

	Year ended 31/03/2012 (₹ in Thousands)	Year ended 31/03/2011 (₹ in Thousands)
38. Earning per Share (EPS)		
Profit/ (Loss) for the period ('000)	1,047.30	9,329.13
Weighted average number of shares used in the calculation of EPS :		
Weighted average number of Basic & Diluted Equity Shares outstanding	11111012	5074472
Shares deemed to be issued for no consideration in respect of Employee Stock Options	0	0
Face value of per share (₹)	10.00	10.00
Basic & Diluted EPS (₹)	0.09	1.84
Basic & Diluted EPS Last year(₹)	-	2.17

39. Related Party Disclosures :

A. List of Related Parties :

i. Key Managerial Personnel :

- a) Sri Jay Singh Bardia
- b) Sri Tansukh Gulgulia
- c) Sri Pradeep Kumar Singh
- d) Sri T. C. Bhachhawat
- e) Sri P. L. Bardia
- f) Sri Binod Kumar Sipani
- g) Sri Sunil Jain
- h) Sri Aditya Kumar Dassani
- i) Sri Vinay Kumar Sipani
- j) Sri Tarun Kumar Das (Secretary)

ii. Details of Remuneration to Key Managerial Personnel :

Managing Director [within Ceiling Limit of Schedule XIII, Part I, Sec II 1(B)]	3,000.00	2,400.00
Non Executive Director	14.50	11.00
Chief Executive Officer	600.00	600.00
Whole Time Director	600.00	600.00
Vinay Kumar Sipani (Senior Accountant)	361.65	161.85
	4,576.15	3,772.85

40. Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the companies Act 1956, has become applicable to the company. The company has reclassified/rearranged/regrouped previous year figures to conform to this year's classification.

Note : Signatories to all Notes from 1 to 40

Place: Kolkata.
Dated: The 30th Day of May, 2012

For **JAGDISH AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration no.320253E
J.P.AGARWAL
PARTNER
Membership No.055436

Notes to financial statement as at and for the year ended 31st March, 2012

Statement Pursuant to Section 212 of the Companies Act, 1956
relating to Company's interest in Subsidiary Companies

1. Name of the Subsidiary Companies : a) Eco Wheels Private Limited
b) Krypton Developers Limited
2. Financial year of the Subsidiary Companies ended on : 31st March, 2012
3. a) No. of Shares held by Krypton Industries Limited in the Subsidiaries at the end of the Financial year of the Subsidiaries Company. : 8,27,100 Equity Shares of Eco Wheels Pvt. Ltd. and 49,400 Equity Shares of Krypton Developers Limited having face value of ₹ 10/- each fully paid up.
b) Extent of Holding at the end of the financial Financial year of the Subsidiaries company : 75.19% of Eco Wheels Pvt. Ltd, 98.80 % of Krypton Developers Limited.
4. Net Aggregate of Subsidiary's Profit / Loss so far as it concerns the members of Krypton Industries Ltd. :
 - a) Not dealt with in the Accounts of Krypton Industries Ltd.
 - i) For the subsidiary's financial year ended 31st March, 2012. : ₹ 29,76,880/-
 - ii) For the previous financial years of the Subsidiaries since it became subsidiary of Krypton Industries Ltd : ₹ 3,61,06,765/-
 - b) Dealt with in the Accounts of Krypton Industries Ltd.
 - i) For the subsidiary's financial year ended 31st March, 2012 : Nil
 - ii) For the previous financial years of the Subsidiaries since it became subsidiary of Krypton Industries Ltd. : Nil

KRYPTON INDUSTRIES LIMITED

Notes to financial statement as at and for the year ended 31st March, 2012

DETAILS OF SUBSIDIARIES 2011-2012

SL. NO.	PARTICULARS	(Till 30.09.2011)		
		2011-12 ECO WHEELS (Rs. In '000)	2011-12 KRYPTON DEVELOPERS (Rs. In '000)	2011-12 KRYPTON SUZHOU (Rs. In '000)
1	REPORTING CURRENCY	INR	INR	INR
2	CAPITAL	11000.00	500.00	39052.31
3	RESERVES	51724.47	0	0
4	TOTAL ASSETS	105914.89	546.37	30985.1
5	TOTAL LIABILITIES	105914.89	546.37	30985.1
6	DETAILS OF INVESTMENT (except in case of investment in the subsidiaries)	600.00	0	0
7	TURNOVER	134819.41	0	49194.98
8	PROFIT BEFORE TAXATION	4951.47	-0.3	148.88
9	PROVISION FOR TAXATION	992.29	0	0
10	PROFIT AFTER TAXATION	3959.18	-0.3	148.88
11	PROPOSED DIVIDEND	0	0	0
12	PROFIT & LOSS A/C (Dr.Balance)	0	5.48	21824.13

KRYPTON INDUSTRIES LIMITED

ATTENDANCE SLIP

(To be presented at the entrance)

22ND ANNUAL GENERAL MEETING ON FRIDAY, 28TH SEPTEMBER, 2012
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 _____

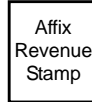
as my/our proxy to attend and vote for me/us and on my/our behalf at the 22nd Annual General Meeting of Krypton Industries Ltd. to be held on 28th September, 2012 and at any adjournment thereof.

Folio No. _____

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

Signed this _____ day of _____ 2012

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, 28TH SEPTEMBER, 2012

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