

# **KRYPTON INDUSTRIES LIMITED**

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## **29TH ANNUAL REPORT BOARD OF DIRECTORS**

JAY SINGH BARDIA	:	MANAGING DIRECTOR
PRADEEP KUMAR SINGH	:	DIRECTOR
T. C. BACHHAWAT	:	DIRECTOR
RAVI PRAKASH PINCHA	:	DIRECTOR
VIMALA DEVI BARDIA	:	DIRECTOR

### **ADMINISTRATIVE**

PANNALAL BARDIA	:	CHIEF EXECUTIVE OFFICER
VINAY SIPANI	:	CHIEF FINANCIAL OFFICER
ARTI BAID (BOTHRA)	:	COMPANY SECRETARY
BANKER	:	1) BANK OF BARODA International Business Branch 4, India Exchange Place Kolkata - 700 001.  2) THE FEDERAL BANK LTD. 1, R. N. Mukherjee Road Branch Kolkata - 700 001
AUDITORS	:	M/s. P. K. LUHARUKA & CO. Chartered Accountants P-44, Rabindra Sarani, 4th Floor Room No. 402A, Kolkata - 700 001
DEMAT REGISTRAR & SHARE TRANSFER AGENT	:	MAHESHWARI DATAMATICS (P) LTD. 23, R. N. Mukherjee Road, 5th 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 : <a href="http://www.kryptongroup.com">www.kryptongroup.com</a> E-mail : <a href="mailto:krypton@kryptongroup.com">krypton@kryptongroup.com</a>

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AGM ON THURSDAY, 26TH SEPTEMBER, 2019

Venue

**KRYPTON INDUSTRIES LIMITED**

CIN : L25199WB1990PLC048791

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

**ALL SHAREHOLDERS ARE WELCOME**

# KRYPTON INDUSTRIES LIMITED

## DIRECTORS' REPORT

Dear shareholders,

Your Directors present the 29th Annual Report together with the audited accounts of your company for the year ended 31st March 2019.

### 1. FINANCIAL RESULTS

During the year under review, the company achieved an aggregate income of Rs.3656.56 Lakhs. The highlights of the financial results are as under:

	Amount in (Rupees in '000)	
	Current Year 2018-2019	Previous Year 2017-2018
Sales	361756.51	293611.26
Other Income	3899.25	10402.16
<b>Gross Total Income</b>	<b>365655.76</b>	<b>304013.42</b>
<b>Profit before Interest, Depreciation &amp; Tax</b>	<b>40015.18</b>	<b>34625.78</b>
Interest	14983.51	19167.47
Depreciation	15921.42	16699.18
<b>Profit before Exceptional Items &amp; Extraordinary items and Tax</b>	<b>9110.25</b>	<b>(1240.87)</b>
Exceptional Items	-	-
<b>Profit before Tax and after Exceptional Items &amp; Extraordinary Items</b>	<b>9110.25</b>	<b>(1240.87)</b>
Provision for Taxation	(200.17)	(833.00)
<b>Profit after Tax</b>	<b>9310.42</b>	<b>(407.87)</b>
Other Comprehensive Income, net of tax	54.63	183.97
<b>Total Comprehensive Income</b>	<b>9365.05</b>	<b>(223.90)</b>
Balance in P&L A/c brought Forward	69160.48	69564.30
Balance Available for Appropriation	81685.42	69160.48
Proposed Dividend	0.00	0.00
Tax on Proposed Dividend	0.00	0.00
Transfer to General Reserve	0.00	0.00
<b>Balance carried to Balance Sheet</b>	<b>81685.42</b>	<b>69160.48</b>

### 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 2018-19 amounted to Rs.1076.80 lakhs compared to Rs.955.71 lakhs of in the previous year. The profit before tax amounted to Rs. 2.06 lakhs as compared to profit of Rs. 0.96 lakhs previous year.

During the year this unit has further cut down the extra costs form last year and we have managed better bottom line. Our export was stable and we are working to increase our export in European market and other Asian & African markets. We are pretty confident to improve our performance in coming years with better topline and bottom line.

#### Sadhurhat division

The unit is engaged in manufacturing MCP Tubeless Tires & Hospital Equipments for domestic market. The unit reported an income for the year 2018-19 amounted to Rs. 1687.23 lakhs as compared to the previous year Rs. 923.79 Lakhs and the unit reported the Profit before tax for the year 2018-19 of Rs. 60.31 lakhs compared with previous year of Rs. 36.20 lakhs.

This unit has maintained its profit margin intact as per last year. Also we have increased our topline impressively. We further believe that we can grow higher than industry average. We are very confident for coming years as there are certain bicycle companies which are showing interest in our product as we can offer our unique product with no competitors in India. All this development is in very nascent stage. We hope to see very positive outcome in coming years.

**Wheel division**

The total income of this unit for the year 2018-19 amounted to Rs.119.43 lakhs compared to Rs.148.88 lakhs in the previous year. The unit reported the profit before tax for the year 2018-19 amounted to Rs. (76.16) lakhs compared to Rs. (56.98) lakhs in the previous year.

Due to stagnant export demand its productivity has not been upto mark. With export as well as demand for other units will pick up we believe to use its capacity at higher level. This is a captive unit which is linked with the sales of other units.

**Plastic division**

The total income of this unit for the year 2018-19 amounted to Rs. 332.15 lakhs compared to Rs. 221.46 lakhs. The unit reported the profit before tax for the year 2018-19 amounted to Rs. 75.94 lakhs compared to the profit of Rs. 50.19 lakhs.

The unit performance is quite better from past years due to the increase in production and capacity utilization. We believe that it can be used at full capacity from current financial year onwards with better realizations.

**Footwear division**

The total income of the footwear division for the year 2018-19 amounted to Rs. 695.84 lakhs compared to Rs. 612.54 lakhs in the previous year. The unit reported a profit before tax of Rs. 22.02 lakhs during the year compared to loss of Rs. 27.24 lakhs in the previous year.

During the year we have returned to profits after 3-4 years of losses. This year job work has increased tremendously which helped our footwear unit to return in profits, also there was decent increase in sale of our sole business. Footwear market is been improving after the bad effects in 2016-17 due to demonetization but in 2017-18 it rebounded well with positive sentiments also trend is improving in 2018-19. Our focus has also shifted from low margin products to high margin products. Our trail run for safety shoes has already been completed and we are in process of obtaining BIS certification in 2019-20, we are very confident that it will increase out topline as well as bottom line in coming years after all necessary procedures.

**Engineering division**

The total income of this unit for the year 2018-19 amounted to Rs. 1126.41 lakhs compared to Rs.680.44 lakhs in the previous year.

The unit posted the profit before tax for the year 2018-19 amounted to Rs. 6.93 lakhs compared to Rs. (10.98) lakhs.

Current year was tremendous for the Rehab care unit which shows impressive growth of 70% form last year. We are very hopeful to deliver growth of 30-35% CAGR for next 5 years. As per current government policies, they are pushing hard in this segment with focus on "**Divyang**" for sustained living.

The Indian Rehab Care Equipment Market has stated accepted the Brand "**iCare**" which was very encouraging for our company and the same is also noticeable from the current year itself.

Company has always taken a long term view of this business and the company is also in process to come with more similar products for the disabled persons in the coming year. And the company is also expecting very high demand due to weaker rupee and stronger USD & Chinese Yuan due to which we will be very competitive not only in India but all around the world. This currency situation will help us to increase our sales quickly.

# KRYPTON INDUSTRIES LIMITED

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## 2. 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, 2019 and plough back the profits of the company in its business.

## 3. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATES

At present, the company does not have any subsidiary, Joint ventures or associates.

## 4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### A. Industry Structure & Developments:-

Krypton Industries Limited (KIL) had a very positive year due to positive market conditions and easing input cost and manufacturing expenses.

Company's primary focus is expansion in Indian Markets for all its product line which include PU Footwear, MCP tubeless tires and hospital/disabled support equipment business. Company is looking for Big OEM's & cycle sharing start ups for its MCP tubeless tires for better replacement market penetration. Company is also focusing on high end products for disables persons and to increase its product portfolio. Also company is aggressively betting for government tenders for Wheelchairs & other support equipment. We have started working on de bottle necking our production facilities and to upgrade our machinery with very minimal capital outlay which help us to enhance our production capacity.

The company has posted positive growth for its footwear business due to change in business model and the company has also restructured the business from complete manufacturing to job work & manufacturing to get better results in the current and future years. The company is also focusing to change the product and customer mix for a stable business. Company is also working in reduction of cost and increasing its efficiency. In footwear segment also we have entered safety shoe segment which will help company to achieve high turnover and high profitability.

### B. Outlook and opportunities

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

The company's major focus is on MCP tubeless tires in bicycle industry and rehab care business which has very promising in future. Primarily, the PU tire for Bicycle, rehab care products and tires for industrial application will be our main focus this year and years to come for the domestic as well as international market.

With Rehab care / disabled support equipment business, the company is now considered as one of major domestic brand in India with brand name "**ICARE**" for rehab care products & we have also launched affordable new model of wheelchair in the Brand Name "**UDAAN**" which was accepted in highly competitive market, with our current product portfolio & brand recognition in market the future looks very promising. With government focus on "**Divyang**" section of society, huge demand from both government sector as well as from market will come in future. We have been also accredited with certain quality certification which will help company to participate tenders from Defense, NGO's , Hospitals & other government organizations. Company is also continuously making efforts to increase its product portfolio to stay competitive from imports and other emerging players in the segments.

### C. Outlook on threats, risk and concern

#### 1. Business Risks:

Company's main product portfolio is MCP tubeless Tires & castor wheels for industrial applications. It faces major competition from rubber tires which is cheaper than our products in same industry. Also rubber prices are much stable than polyurethane. Also our bicycle tire is new entrant in our portfolio which is still in growing stage and has a huge potential but at the

same time it's a completely new product for the market and acceptance will take some time to establish. Our positive side is that life & quality of our product is much more superior than rubber tires.

In rehab care / Hospital furniture business our company is facing biggest competition from cheap & low quality Chinese products. Also further increase in prices in steel & other raw material items will hurt our bottom line in future. Also passing on additional cost is very difficult in this industry.

Company is normally import Raw Materials and export finished goods during its course of business which exposes it to exchange fluctuation risks and international crude & petrochemicals prices affects the raw material prices.

Company also needed to improve its overall performance in both monetary as well as non monetary terms by emphasizing its product quality and increasing its topline and reducing its overall cost of sales including reduction of Cost of raw materials and other fixed and variable overheads.

**2. Financial Risks:**

Majority of raw material are imported, so any major fluctuation in US\$ can affect the performance of the company. Company is trying to leverage this risk by sourcing more from local vendors. Although foreign exchange risks somewhat balanced by exports and company is regularly covering such risk.

The interest cost is still on the higher side although RBI started reducing interest rates and banks are reluctant in passing the benefit to borrowers. Company is exploring the other means to reduce interest cost.

**3. Legal & Statutory Risks**

Company is complying regularly with all the regulatory requirements with respect to manufacturing, taxations, statutory requirements, company law, SEBI etc, with new laws coming in, this exercise will need more inputs which company is working towards.

**4. Political Risks**

Any major change in local, national or international can effect the business but as, at the moment, company does not have any business with government entities, the risk is minimal. Although company is trying to secure government business at the moment, this can impact positively as well as negatively in a small percentage of growth of the company.

**D. Internal Control System and their adequacy:**

Your Company believes that Internal Control is a required 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. Internal auditor performs their duty and audit committee reviews internal auditor reports and other reports and provides suggestions for improvement /takes corrective actions. The committee also meets the Company's Statutory Auditors to ascertain, inter alia, their views on the Adequacy of Internal Control Systems in the company and keeps Board of Directors informed from time to time.

**E. Financial Performance**

Over all financial Performance of the company is satisfactory in current market scenario, we are cautiously improving in costing point of view which will further add to out margins. Our company will surely improve out topline and bottom line this year and in the years to come.

**F. Human Resource Developments:**

During the fiscal 2018-2019 company has more than 250 Persons on its payroll. Apart from this company has generated indirect employment to more than 700 persons in nearby locations.

# KRYPTON INDUSTRIES LIMITED

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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.

## 5. SHARE CAPITAL

The paid up equity share capital as at March 31, 2019 is Rs. 14.69 Crores, divided into 1,46,97,130 equity shares of face value Rs. 10 each.

During the year under review, the Company has not issued any equity shares with differential rights or sweat equity shares or under any employee stock option.

## 6. DEPOSITS

During the year under review, the Company has neither invited nor accepted any fixed deposits from the public within the meaning of section 73 of the Companies Act, 2013 and the rules made there under.

## 7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of the loans given, Investments made, Guarantees or Securities provided during the year have been disclosed under the **Note no. 4,5,12 & 40** to the financial statement.

## 8. PARTICULARS OF THE CONTRACTS OR ARRANGEMENTS WITH THE RELATED PARTIES

All transactions/ contracts/arrangements entered with the Related Parties during the financial year were in the ordinary course of business and on arm's length basis and without any conflict of interest. Moreover, the company has not entered into any transaction of material nature with the promoters, directors, management, subsidiaries or any significant related party during the financial year that may have potential conflict with the interests of the company at large.

Since all the related party transactions entered into by the Company were in the ordinary course of the Business and on an arm's length basis. Thus, Form AOC-2 is not applicable to the company.

The details of the transactions/ contracts /arrangements held with the related parties have been disclosed in the Notes to the financial statements. A framed Policy on Related Party Transactions duly adopted by the Board is available on the Company's website [www.kryptongroup.com](http://www.kryptongroup.com).

## 9. MATERIAL CHANGES AND COMMITMENTS

There has been no material changes have been occurred affecting the financial position of the company in between the period from the close of the financial year of the company to which the Balance Sheet relates and the date of the report.

## 10. AUDITORS

### Statutory Auditors & their Report

M/s P. K. Luharuka & Co. (Registration no. 322020E), Auditors of the Company have been appointed at the Annual General Meeting on September 22, 2017 for a term of 5 years. The Company has received consent of the Auditors for continuation of office for the current year.

The observations made by the Statutory Auditors in their report for the financial year ended 31st March 2019 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation or adverse remark.

### Secretarial Audit Report

Pursuant to section 204 of the Companies Act, 2013, the Board has appointed Meenakshi Agarwal, Practicing Company Secretary to undertake the audit of Secretarial and other related records of the company. The Secretarial Audit Report issued by Meenakshi Agarwal in Form MR-3 for the financial year ended 31st March, 2019, is also annexed herewith in Annexure-V. Your directors wish to clarify the observations made by the Auditors regarding the cases being shown as pending in the Bankshall Courts which were actually being resolved during the past years itself and for which a letter is being sent to the Registrar for removal of such cases from the pending list.

Your Directors also clarify that the listing fees of the Calcutta Stock Exchange for the financial year is not being paid as the said stock exchanges is suspended from long and expected that the exchange will get de-recognised soon.

**Cost Audit & Records**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 the Company is only required to maintain its cost records in respect of the products being manufactured by the company. The Cost records are duly maintained by the company as required.

**11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGES EARNINGS AND OUT GO:**

The information as required under clause (m) sub section (3) of section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rule, 2014 is annexed herewith in **Annexure- I**.

**12. EXTRACT OF ANNUAL RETURN**

The extract of Annual Return in Form MGT-9 forming part of the Directors Report is duly attached herewith in **Annexure-II** and also available at [www.kryptongroup.com](http://www.kryptongroup.com).

**13. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There were no significant & material orders passed by the regulators or courts or tribunal which would impact the going concern status and future operations of the company.

**14. LISTING AT STOCK EXCHANGES**

The equity shares of the company are listed on the stock exchanges at Kolkata and Mumbai. The annual Listing fees have been paid for the financial year 2018-2019.

**15. 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 SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 with the stock exchanges forms a part of the Report under Annexure- IV.

**16. MEETINGS**

During the year under review, eight Board Meetings and four Audit Committee Meetings were convened and held, the dates and attendance in by each Directors are given in the Corporate Governance Report. The maximum time gaps between the Meetings were within the period as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

The details of constitution of the Board and its Committee are given in the Corporate Governance Report.

**17. SECRETARIAL STANDARDS**

The Company has complied with Secretarial standards issued by the Institute of Company Secretaries of India.

**18. DIRECTORS**

Mr. Tilok Chand Bachhawat (DIN: 00580356), Non-Executive Director who is liable to retire by rotation as director in accordance with the Companies Act, 2013 and being eligible, offers himself for reappointment at the forthcoming Annual General Meeting.

Mr. Pradeep Kumar Singh (DIN : 00386800) was appointed as an Independent Director at the 24th annual General Meeting (AGM) of the Company held on 27th August, 2014 for a period of five years. Based on the recommendations of the Nomination and Remuneration Committee and Board, his re-appointment for a second term of five years is proposed at the ensuing AGM for approval of the members by way of special resolution.



## **KRYPTON INDUSTRIES LIMITED**

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Necessary information pursuant to SEBI (Listing obligations and Disclosure Requirements) Regulation, 2015 in respect of directors to be appointed and re-appointed at the ensuing Annual General Meeting are given in the Annexure to the Notice convening the Annual General Meeting Scheduled to be held on 26th September, 2019.

None of the Directors of the company are disqualified for being appointed as Directors as specified under section 164 of the Companies Act, 2013 and the rules made thereunder.

**KEY MANAGERIAL PERSONNEL** : Mr. Jay Singh Bardia (DIN : 00467932) Managing Director of the Company whose tenure expires on December 31, 2019 is reappointed as the Managing Director of the Company pursuant to Section 196, 197 & 203 read with other applicable provisions and Schedule of the Companies Act, 2013 by the Board of Directors of the Company for a period of three years w.e.f. January 01, 2020 till December 31, 2022, who will not retire by rotation, based on the recommendations of the Nomination and Remuneration Committee and subject to the approval by the Shareholders of the Company.

**DECLARATION BY INDEPENDENT DIRECTOR:** The Company has duly received the declaration from all the Independent Directors as laid under section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The declaration was placed and noted by the Board at its meeting held on 30th May, 2019.

### **19. REMUNERATION POLICY**

The Board, on recommendation of the Nomination & Remuneration Committee has framed a policy for selection and appointment of Directors, Senior Management and their remuneration which includes criteria for performance evaluation of non-executive and executive directors. A detailed Policy is also available on the website of the Company, [www.kryptongroup.com](http://www.kryptongroup.com).

### **20. RISK MANAGEMENT POLICY**

In accordance with the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board of Directors of the Company is responsible for framing, implementing and monitoring the Risk management plans of the Company. The Company has also framed a Risk Management Policy defining the roles and responsibilities of the Committee and the same has been approved by the Board of Directors of the Company.

The Risk Management Policy is available on the website of the company, [www.kryptongroup.com](http://www.kryptongroup.com).

### **21. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

In accordance with the provision of the Companies Act, 2013 read with the Rules made therein and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, every listed company shall establish a Vigil Mechanism for the directors and employees to report their genuine concerns and grievances. A framed Vigil Mechanism is available on the company's website, [www.kryptongroup.com](http://www.kryptongroup.com).

The Audit Committee is entrusted with the responsibility to oversee the Vigil Mechanism.

### **22. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Board as a whole, Chairman and the Non-Independent Directors was carried out by the Independent Directors. This exercise was carried out in accordance with the Remuneration Policy framed by the Company within the framework of applicable laws.

The Board carried out an annual evaluation of its own performance, as well as the evaluation of the working of its committees and individual Directors, including Chairman of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. While evaluating the performance and effectiveness of the Board, various aspects of the Board's functioning such as adequacy of the composition and quality of the Board, time devoted by the Board to Company's long-term strategic issues, quality and transparency of Board discussions, execution and performance of specific duties, obligations and governance were taken into consideration.

**23. DIRECTORS RESPONSIBILITY STATEMENT**

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors hereby states:

- That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed with proper explanation relating to material departures if any;
- That the directors have 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 the company at the end of the financial year and of the profit of your company for that period.
- That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities.; and
- That the directors have prepared the annual accounts on a going concern basis and
- That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively, and
- That the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**24. PARTICULARS OF EMPLOYEES**

The disclosure required under section 197 of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith in Annexure- III.

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**25. ISO 9001-2008, IS 7454**

Your company operates in ISO 9000 quality assurance system as per the ISO 9001-2008 standards. The Audit was duly carried out during the year 2018-19. The new standards are mainly customer oriented and they will help our Company to get much better controls to improve with best customer satisfaction standards.

The company has been granted the license by Bureau of Indian Standards (BIS) to use Standard Mark i.e. IS 7454 in respect of Rehabilitation equipment- Wheelchairs Folding and Adult size according to which we will manufacture highest quality of wheelchairs as per the specification.

**26. 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.

**Cautionary Note:**

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

Registered Office : Falta Special Economic Zone  
Sector-1, Plot-31&32, Falta  
24-Parganas (S), Pin-743504, West Bengal  
CIN : L25199WB1990PLC048791

By Order of the Board  
For **Krypton Industries Limited**

**Jay Singh Bardia**  
Managing Director  
(DIN : 00467932)

Date: 30.05.2019

# KRYPTON INDUSTRIES LIMITED

## ANNEXURE - I

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Pursuant to section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the particulars as required in relation to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo are given below:

#### **(A) CONSERVATION OF ENERGY**

- a) The steps taken or impact on Conservation of Energy are:
1. Company has carried out a close monitoring of the Electricity consumption based on KWH.
  2. Company is changing normal tube lights & bulbs to LED lights & renovation factory shed so that in day time less electricity will be consumed in all the units in a phased manner to save electricity.
  3. Up gradation of the capacitors has been done in the plants in order to increase the power factor and efficient utilisation of energy. It will also help in the company to reduce its electricity bills in the coming years.

#### **(B) TECHNOLOGY ABSORPTION**

##### **1. The efforts made towards technology absorption:**

Company's major focus is on PU related products in Footwear industry, bicycle industry & rehab care industry which has huge potential in future. We are continuously working on R&D of our existing products & we are exploring new products development in this field like PU foam products & other PU products used in rehab care industry. We have already developed high performance MCP tubeless tires for bicycles as a future substitute for Rubber Tires. Also we are doing R&D on high performance of PU tires in industrial applications which is a new area for us. Our company is working to enhance our footwear unit & Rehab care unit production with same infrastructure by effective handling of man power and de bottlenecking in production.

##### **2. Benefit derived like product improvement, cost reduction, product development or import substitution:**

Our company has been started getting benefits of its R&D activities & cost reduction measures. We have also been successful in cut down of our power cost and labour cost in all the units by up gradation of machines and effective utilization of manpower.

Our wheelchairs has been renewed, **IS 7454 by Bureau of Indian Standards (BIS)** which is highest quality standard for wheelchair product, which shows our dedication for quality and it will a big boost for the Company in the coming years.

Footwear overall capacity utilization will increase in coming years with our effective production strategy. Also we are in process of getting BIS certification for our Safety shoes in current financial year.

**(C) Foreign Exchange Earning and Outgo:** The details of the Foreign Exchange Earning in terms of actual inflows and Foreign Exchange outgo in terms of actual outflows during the year under review are given below:

<b><u>FOREIGN EXCHANGE EARNING AND OUTGO</u></b>		<b><u>2018-2019</u></b>
		<b>(Rs. in '000)</b>
1. (A) Foreign Exchange Earning		64159.78
2. (B) Foreign Exchange Outgo		
(i) CIF VALUE OF IMPORTS		
• Raw materials, Component & trading Goods		33007.03
• Stores and Spare parts & Component		472.63
• Capital Goods		75.34
• Other matters		157.20

Registered Office : Falta Special Economic Zone  
Sector-1, Plot-31&32, Falta  
24-Parganas (S), Pin-743504, West Bengal  
CIN : L25199WB1990PLC048791

By Order of the Board  
For **Krypton Industries Limited**

**Jay Singh Bardia**  
Managing Director  
(DIN : 00467932)

Date: 30.05.2019

**ANNEXURE - II****FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN****as on financial year ended on 31.03.2019**Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1)  
of the Company (Management & Administration) Rules, 2014**I. REGISTRATION & OTHER DETAILS :**

i	CIN	L25199WB1990PLC048791
ii	Registration Date	April, 06 1990
iii	Name of the Company	KRYPTON INDUSTRIES LIMITED
iv	Category/Sub-category of the Company	Public Company Limited by Shares
v	Address of the Registered Office & contract details	Falta Special Economic Zone, Sector - 1 Plot No. 31 & 32, P. S. Diamond Harbour, 24 Parganas (South) West Bengal - 743 504, Ph. : 91-3174222227
vi	Whether listed company	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any	Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor Kolkata - 700 001 E-mail : mdplc@yahoo.com Phone : 033-2243 5809

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name & Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Tyre, Rim & Wheel	2211	49.88
2	Footwear	1520	17.83
3	Hospital Equipments	3092	32.29

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

At present, the company doesn't have any holding, subsidiary or associate company.

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## IV. SHAREHOLDING PATTERN (Equity Share capital Breakup as % to total Equity)

### i) Categorywise Share-holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2018				No. of Shares held at the end of the year i.e. 31.03.2019				% change during the year (2018-19)
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	3853511	0	3853511	26.2195	3853611	25000	3878611	26.3903	0.1708
b) Central Govt. of State Govt.									
c) Bodies Corporates									
d) Bank/FI									
e) Any other									
<b>SUB TOTAL (A) (1)</b>	3853511	0	3853511	26.2195	3853611	25000	3878611	26.3903	0.1708
<b>(2) Foreign</b>									
a) NRI-Individuals	50796	0	50796	0.3456	50796	0	50796	0.3456	0.0000
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other...									
<b>SUB TOTAL (A) (2)</b>	50796	0	50796	0.3456	50796	0	50796	0.3456	0.0000
<b>Total Shareholding of Promoter</b>									
<b>(A) =(A)(1)+(A)(2)</b>	3904307	0	3904307	26.5651	3904407	25000	3929407	26.7359	0.1708
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	2800	2800	0.0191	0	2800	2800	0.0191	0.0000
b) Banks/FI	0	100	100	0.0007	0	100	100	0.0007	0.0000
c) Central Govt.									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FII									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub Total (B)(1) :</b>	0	2900	2900	0.0198	0	2900	2900	0.0198	0.0000
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	1415334	30851	1446185	9.8399	1264398	1551	1265949	8.6136	-1.2263
ii) Overseas	0	324000	324000	2.2045	0	324000	324000	2.2045	0.0000
b) Individuals									

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i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	2380776	541061	2921837	19.8803	2323290	462686	2785976	18.9559	-0.9244
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	4897000	233000	5130000	34.9048	5350879	83000	5433879	36.9724	2.0676
c) Others (specify)									
Non-Resident Indians	748268	170500	918768	6.2513	745765	170500	916265	6.2343	-0.0170
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	23363	0	23363	0.1590	11319	0	11319	0.0770	-0.0820
Trusts	0	0	0	0.0000	1665	0	1665	0.0113	0.0113
Foreign Bodies - DR									
Foreign Portfolio Investors									
NBFCs registered with RBI	25770	0	25770	0.1753	25770	0	25770	0.1753	0.0000
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Investor Education and Protection Fund Authority									
<b>SUB TOTAL (B)(2) :</b>	<b>9490511</b>	<b>1299412</b>	<b>10789923</b>	<b>73.4151</b>	<b>9723086</b>	<b>1041737</b>	<b>10764823</b>	<b>73.2443</b>	<b>-0.1708</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>9490511</b>	<b>1302312</b>	<b>10792823</b>	<b>73.4349</b>	<b>9723086</b>	<b>1044637</b>	<b>10767723</b>	<b>73.2641</b>	<b>-0.1708</b>
<b>C. Shares held by Custodian for GDRs * ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>13394818</b>	<b>1302312</b>	<b>14697130</b>	<b>100.000</b>	<b>13627493</b>	<b>1069637</b>	<b>14697130</b>	<b>100.000</b>	<b>0.000</b>

### ii. SHARE HOLDING OF PROMOTERS

Sl. No.		Shareholding at the beginning of the year, i.e. 01.04.2018			Shareholding at the end of the year, i.e. 31.03.2019			% change share holding during the year (2018-19)
		No. of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Jay Singh Bardia	1538550	10.4684	0.0000	1542208	10.4933	0.0000	0.0249
2	Pannalal Bardia	1122869	7.6401	0.0000	1122869	7.6401	0.0000	0.0000

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3	Pannalal Bardia	462075	3.1440	0.0000	487075	3.3141	0.0000	0.1701
4	Vimala Devi Bardia	282000	1.9187	0.0000	282000	1.9187	0.0000	0.0000
5	Tilok Chand Bachhawat	127140	0.8651	0.0000	126082	0.8579	0.0000	-0.0072
6	Tilok Chand Bachhawat	102575	0.6979	0.0000	98575	0.6707	0.0000	-0.0272
7	Binod Kumar Sipani	55375	0.3768	0.0000	55375	0.3768	0.0000	0.0000
8	Ruchi Rampuria	50796	0.3456	0.0000	50796	0.3456	0.0000	0.0000
9	Suchi Bothra	45158	0.3073	0.0000	45158	0.3073	0.0000	0.0000
10	Alka Bardia	45000	0.3062	0.0000	45000	0.3062	0.0000	0.0000
11	Tansukh Gulgulia	26700	0.1817	0.0000	26700	0.1817	0.0000	0.0000
12	Manju Sipani	23710	0.1613	0.0000	23710	0.1613	0.0000	0.0000
13	Tansukh Gulgulia	22300	0.1517	0.0000	22300	0.1517	0.0000	0.0000
14	Piyush Baid	59	0.0004	0.0000	1559	0.0106	0.0000	0.0102
	<b>Total</b>	<b>3904307</b>	<b>26.5652</b>		<b>3929407</b>	<b>26.7360</b>		<b>0.1708</b>

### iii. CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2018)		Cumulative Share holding during the year (2018-19)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	TANSUKH GULGULIA				
	At the beginning of the year	22300	0.1517		
	At the end of the year	22300	0.1517	22300	0.1517
2	TILOK CHAND BACHHAWAT				
	At the beginning of the year	127140	0.8651		
	As on 13/07/2018 - Transfer	-358	0.0024	126782	0.8626
	As on 28/09/2018 - Transfer	-700	0.0048	126082	0.8579
	At the end of the year	126082	0.8579	126082	0.8579
3	PANNA LAL BARDIA				
	At the beginning of the year	462075	3.1440		
	As on 31/03/2019 - Transfer	25000	0.1701	487075	3.3141
	At the end of the year	487075	3.3141	487075	3.3141
4	TANSUKH GULGULIA				
	At the beginning of the year	26700	0.1817		
	At the end of the year	26700	0.1817	26700	0.1817

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5	VIMLA DEVI BARDIA				
	At the beginning of the year	282000	1.9187		
	At the end of the year	282000	1.9187	282000	1.9187
6	JAY SINGH BARDIA				
	At the beginning of the year	1538550	10.4684		
	As on 18/01/2019-Transfer	3500	0.0238	1542050	10.4922
	As on 22/02/2019-Transfer	158	0.0011	1542208	10.4933
	At the end of the year	1542208	10.4933	1542208	10.4933
7	PANNALAL BARDIA				
	At the beginning of the year	1122869	7.6401		
	At the end of the year	1122869	7.6401	1122869	7.6401
8	PIYUSH BAID				
	At the beginning of the year	59	0.0004		
	As on 22/02/2019-Transfer	1000	0.0068	1059	0.0072
	As on 15/03/2019-Transfer	500	0.0034	1559	0.0106
	At the end of the year	1559	0.0106	1559	0.0106
9	TILOK CHAND BACHHAWAT				
	At the beginning of the year	102575	0.6979		
	As on 28/09/2018 - Transfer	-4000	0.0272	98575	0.6707
	At the end of the year	98575	0.6707	98575	0.6707
10	RUCHI RAMPURIA				
	At the beginning of the year	50796	0.3456		
	At the end of the year	50796	0.3456	50796	0.3456
11	SUCHI BOTHRA				
	At the beginning of the year	45158	0.3073		
	At the end of the year	45158	0.3073	45158	0.3073
12	ALKA BARDIA				
	At the beginning of the year	45000	0.3062		
	At the end of the year	45000	0.3062	45000	0.3062
13	BINOD KUMAR SIPANI				
	At the beginning of the year	55375	0.3768		
	At the end of the year	55375	0.3768	55375	0.3768
14	MANJU SIPANI				
	At the beginning of the year	23710	0.1613		
	At the end of the year	23710	0.1613	23710	0.1613



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## iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2018) (as on 31.03.2019) of the year		Date	Increase/Decrease of Shareholding	Reason	Cumulative Shareholding during the year (from 01.04.2018-31.03.2019)	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
1	POLYAIR TIRES INC.							
	At the beginning of the year	224000	1.5241	There were No increase / decrease in the shareholding during the year				
	At the end of the year	224000	1.5241			224000	1.5241	
2	VIDYA VRIDHI INVESTMENT PRIVATE LIMITED #							
	At the beginning of the year	103245	0.7025	There were No increase / decrease in the shareholding during the year				
	At the end of the year	103245	0.7025			103245	0.7025	
3	JALAN COMMODITIES PRIVATE LIMITED							
	At the beginning of the year	540000	3.6742	There were No increase / decrease in the shareholding during the year				
	At the end of the year	540000	3.6742			540000	3.6742	
4	SANTEX MILLS LIMITED							
	At the beginning of the year	200000	1.3608	There were No increase / decrease in the shareholding during the year				
	At the end of the year	200000	1.3608			200000	1.3608	
5	PRASANN DEVI BUCHA							
	At the beginning of the year	201000	1.3676	There were No increase / decrease in the shareholding during the year				
	At the end of the year	201000	1.3676			201000	1.3676	
6	SNEHALATHA SINGHI							
	At the beginning of the year	128155	0.8720	There were No increase / decrease in the shareholding during the year				
	At the end of the year	128155	0.8720			128155	0.8720	
7	SWETA SUKUL							
	At the beginning of the year	0	0.0000					
				7-Sep-18	51567	0.3509	51567	0.3509
				14-Sep-18	6000	0.0408	57567	0.3917
				21-Sep-18	18300	0.1245	75867	0.5162
				5-Oct-18	14644	0.0996	90511	0.6158
				12-Oct-18	5319	0.0362	95830	0.6520
				19-Oct-18	8640	0.0588	104470	0.7108
				26-Oct-18	3076	0.0209	107546	0.7317
			2-Nov-18	2000	0.0137	109546	0.7454	
			9-Nov-18	571	0.0039	110117	0.7493	

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				16-Nov-18	2000	0.0136	112117	0.7629	
				23-Nov-18	1000	0.0068	113117	0.7697	
				30-Nov-18	4208	0.0286	117325	0.7983	
				7-Dec-18	1390	0.0095	118715	0.8078	
				14-Dec-18	959	0.0065	119674	0.8143	
				21-Dec-18	3000	0.0204	122674	0.8347	
				28-Dec-18	5077	0.0345	127751	0.8692	
				4-Jan-19	1300	0.0088	129051	0.8780	
				11-Jan-19	3486	0.0237	132537	0.9017	
				25-Jan-19	500	0.0034	133037	0.9051	
				8-Feb-19	3245	0.0221	136282	0.9272	
				15-Mar-19	13402	0.0912	149684	1.0184	
				22-Mar-19	-300	0.0020	149384	1.0164	
	At the end of the year	149384	1.0164				149384	1.0164	
8	SUBRAMANIAN P								
	At the beginning of the year	715654	4.8693						
				25-May-18	4520	0.0308	720174	4.9001	
	At the end of the year	720174	4.9001				720174	4.9001	
9	MANISH PINCHA #								
	At the beginning of the year	106831	0.7269						
				20-Apr-18	3110	0.0212	109941	0.748	
	At the end of the year	109941	0.7480				109941	0.748	
10	KANHAIYA LAL BARDIA								
	At the beginning of the year	418500	2.8475	There were No increase / decrease in the shareholding during the year					
	At the end of the year	418500	2.8475					418500	2.8475
11	RICHARD WARREN BENHAM								
	At the beginning of the year	310000	2.1093	There were No increase / decrease in the shareholding during the year					
	At the end of the year	310000	2.1093					310000	2.1093

Note: \* Not in the list of Top 10 Shareholders as on 01.04.2018. The Same has been reflected above since the shareholder was one of the Top 10 Shareholders as on 31.03.2019.  
# Ceased to be in the list of Top 10 Shareholders as on 31.03.2019. The same is reflected above since the shareholders was one of the Top 10 Shareholders as on 01.04.2018.

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## v. SHAREHOLDING OF DIRECTORS & KMP

Sl. No.	Name	Shareholding at the beginning of the year, i.e. 01.04.2018		Cumulative Shareholding during the year, i.e. 01.04.2018 - 31.03.2019	
		No. of Shares*	% of total shares of the company	No. of Shares	% of total shares of the company
1	Jay Singh Bardia	1538550	10.4684		
	18.01.2019 Transfer	3500	0.0238	1542050	10.4922
	22.02.2019 Transfer	158	0.0011	1542208	10.4933
	At the end of the year	1542208	10.4933	1542208	10.4933
2	Pannalal Bardia	1584944	10.7841		
	31.03.2019 Transfer	25000	0.1701	1609944	10.9542
	At the end of the year	1609944	10.9542	1609944	10.9542
3	Vinay Sipani	10340	0.0703	-	-
	27.03.2019 Transfer	10340	0.0703	-	-
	At the end of the year	-	-	-	-
4	Vimala Devi Bardia	282000	1.9187	282000	1.9187
5	Tilok Chand Bachhawat	229715	1.5630		
	13.07.2018 -Transfer	-358	0.0024		
	28.09.2018- Transfer	-4700	0.0320		
	At the end of the year	224657	1.5286	224657	1.5286

**Note :** None of the other Directors/ KMPs hold any shares during the year.

\*No. of Shares includes the total no. of shares held by the persons including the shares held as a beneficial owner.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	123709890.00	29101490.00	-	152811380.00
ii) Interest due but not paid	0.00	0.00	-	0.00
iii) Interest accrued but not due	0.00	0.00		0.00
<b>Total (i+ii+iii)</b>	<b>123709890.00</b>	<b>29101490.00</b>	<b>0.00</b>	<b>152811380.00</b>
<b>Change in indebtedness during the financial year</b>				
Additions	512825470.00	5000000.00		517825470.00
Reduction	513152670.00	11816810.00	0.00	524969480.00
<b>Net Change</b>	<b>-327200.00</b>	<b>-6816810.00</b>		<b>-7144010.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	123382690.00	22284680.00		145667370.00
ii) Interest due but not paid				0.00
iii) Interest accrued but not due			-	0.00
<b>Total (i+ii+iii)</b>	<b>123382690.00</b>	<b>22284680.00</b>	<b>0.00</b>	<b>145667370.00</b>

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## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to managing Director, Whole time director and / or Manager : (in Rs.)

Sl. No.	Particulars of Remuneration	Jay Singh Bardia Managing Director	Total Amount
1	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax 1961.	30,00,000.00	30,00,000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit		
	others (specify)		
5	Others, please speify	-	-
	<b>Total (A)</b>	30,00,000.00	30,00,000.00
	<b>Ceiling as per the Act</b> (Note : The ceiling is determined in case of no profit or in adequate profits)		6,000,000.00

### B. Remuneration to other directors : (in Rs.)

Sl. No.	Particulars of Remuneration	Name of the Non-Executive Directors				Total Amount
		Pradeep Kumar Singh	T. C. Bachhawat	Vimala D. Bardia	Ravi P. Pincha	
1.	Independent Directors					
	(a) Fee for attending board	4,000.00	-	-	1,000.00	5,000.00
	(b) Commision	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	4,000.00	-	-	1,000.00	5,000.00
2	Other Non-Executive Directors					
	(a) Fee for attending board	-	1,000.00	4,000.00	-	5,000.00
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	1,000.00	4,000.00	-	5,000.00
	<b>Total Managerial Remuneration</b>	<b>4,000.00</b>	<b>1,000.00</b>	<b>4,000.00</b>	<b>1,000.00</b>	<b>10,000.00</b>
	<b>Overall Ceiling as per the Act.**</b>					

\*\* The overall ceiling is not applicable to the Non-Executive Directors.

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## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration		Key managerial Personnel		
	Gross Salary	Pannalal Bardia CEO	Vinay Sipani CFO	Arti Bothra Company Secretary	Total
1.	(a) Salary as per provisions	2,400,000.00	1,415,200.00	464,000.00	4,279,200.00
	(b) Value of perquisites u/s 17(2)	-	-	-	-
	(c) Profits in lieu of salary under	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit				
	others, specify				
5	Others, please specify	-	-	-	-
	<b>Total</b>	2,400,000.00	1,415,200.00	464,000.00	4,279,200.00

### vii. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

There were no penalties / punishment / compounding of offences during the year ended 31st March 2019.

**ANNEXURE - III**

**Statement pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5 of the  
Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014**

1. **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:**

Name of Director	Ratio to Median remuneration
Jay Singh Bardia - Managing Director	24.70

Director's other than Executive Director have received sitting Fees for attending the meeting of the Board of Directors or its committees as disclosed in the Corporate Governance Report. The figures are not comparable.

2. **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year**

Director's/CEO/CFO/CS name	% increase in remuneration in the Financial year 2018-19
Jay Singh Bardia, MD	No increment during the year
Pannalal Bardia, CEO	No increment during the year
Vinay Sipani, CFO	No increment during the year
Arti Bothra, CS	6%

3. **The percentage increase in the median remuneration of employees in the financial year:** 6.93%

4. **The number of permanent employees on the rolls of company:** 240 employees as on March 31, 2019.

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

Average Salary increase of non-managerial employees for 2018-19 is 8-10%.

Average Salary increase of managerial employees for 2018-19 is Nil.

There were no exceptional circumstances for increase in the managerial remuneration.

6. **Affirmation that the remuneration is as per the remuneration policy of the company:** Remuneration paid during the year is as per the Remuneration Policy of the Company.

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## ANNEXURE - IV

### REPORT ON CORPORATE GOVERNANCE

[Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, ("SEBI Listing Regulations"), 2015]

#### 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 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 supports principles of good governance and lays appropriate emphasis on regulatory compliance, integrity and accountability.

#### 2. Board of Directors:

##### Composition, Meetings, Attendance and Directorship(s)/Chairmanship(s)/ Membership(s)

The Board of Directors of the Company as on 31st March, 2019 comprised of total 5 Directors, consisting of One Executive Director and 4 Non Executive Directors which includes of 1 Woman Director & 2 Non Executive Independent Director. Mr. Jay Singh Bardia, Managing Director is the only Executive Director. During the year under review the Board met 8 times on 30.05.2018, 09.06.2018, 14.08.2018, 28.09.2018, 08.10.2018, 14.11.2018 04.02.2019 & 20.03.2019. The previous Annual General Meeting was held on 20th September, 2018.

The constitution of the Board and their attendance at the Board Meetings, last Annual General Meeting and the Directorship/ Chairmanship/ Membership of Committee of each Director in other companies during the year ended 31st March 2019 are as under:

Sl. No.	Name of Director	Attendance		Category of Directors	No. of Directorship In other Public Limited Companies		No. of Committee* Membership/Chairmanship in other Public Limited Companies		Directorship in other Listed Equity (category of Directorship)
		Board	Last AGM		Listed	Others	Chairman	Members	
1.	Mr. Jay S. Bardia	08	Yes	Promoter, Executive, Managing Director	NIL	NIL	NIL	NIL	-
2.	Mr. Tilok Chand Bachhawat	02	No	Non-Executive	NIL	NIL	NIL	NIL	-
3.	Mr. Pradeep Kumar Singh	08	No	Independent, Non-executive Chairman	NIL	NIL	NIL	NIL	-
4.	Mr. Ravi Prakash Pincha	02	Yes	Independent, Non-executive	1	1	0	1	RDB Realty & Infrastructure Limited (Independent Non-Executive)
5.	Mrs. Vimala Devi Bardia	08	Yes	Non-executive, Woman Director	NIL	NIL	NIL	NIL	-

\*Committees include only Audit Committee and Stakeholders Relationship Committee.

None of the directors held directorship in more than 8 Listed Companies and/or 10 Public Limited Companies and/or were member in more than 10 committees or acts as a Chairman of more than 5 Committees across all Public Limited Companies in which he is a director.

None of the Independent Directors served as Independent Directors in more than 7 Listed Companies.

None of the Executive Directors served as Independent Director of any other Listed Company.

Mr. Jay Singh Bardia, Mr. Tilok Chand Bachhawat and Mrs. Vimala Devi Bardia holds 15,42,208; 2,24,657 and 2,82,000 shares respectively in the Equity capital of the Company.

No other director is related to any other director except Mr. Jay Singh Bardia and Mrs. Vimala Devi Bardia in terms of the definition of 'Relative' as given in the Companies act, 2013.

Necessary information as mentioned in SEBI Listing Regulations, 2015 has been placed before the Board for consideration.

### **Code of Conduct**

All the Directors and the members of the Senior Executives have adhered to the code of Conduct for Board of directors and Senior Executives of the Company during the year and have affirmed their compliance with the same. The Annual Report also contains a declaration to this effect duly signed by the Managing Director. The Code of conduct for Board of Directors and senior Executives is also posted on the website of the company, [www.kryptongroup.com](http://www.kryptongroup.com).

### **3. Audit Committee:**

#### **Brief description of the terms of reference: -**

The Audit Committee reviews the Audit Reports submitted by the Internal Auditors, Statutory Auditors, financial results, effectiveness of internal audit process, and the Company's risk management strategy and to establish the vigil mechanism. It reviews the Company's established systems and the committee is governed by provisions of Companies Act, 2013 and Listing Agreement with the Stock Exchange and SEBI Listing Regulations, 2015.

#### **Composition & Attendance:-**

The Audit Committee consists of Mr. Jay Singh Bardia, Managing Director and other two Independent non-executive directors viz., Mr. Pradeep Kumar Singh, M.A. and Mr. Ravi Prakash Pincha. Mr. Pradeep Kumar Singh, 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. The Company Secretary of the Company acted as the 'Secretary' to the Committee.

<b>SL. No.</b>	<b>Name of Member</b>	<b>Category</b>	<b>No. of meetings attended</b>
1.	Mr. Pradeep Kumar Singh	Member & Chairman	4
2.	Mr. Jay Singh Bardia	Member	4
3.	Mr. Ravi Prakash Pincha	Member	4

Four Committee meetings were held during the year viz., on 30.05.18, 14.08.18, 14.11.18 and 04.02.19.



# KRYPTON INDUSTRIES LIMITED

## 4. Nomination & Remuneration Committee:

### Brief description of terms of Reference:-

This Committee identifies the persons, who are qualified to become Directors of the Company and who may be appointed in in senior management in accordance with the criteria laid down, and recommended to the Board their appointment and removal and also carries out evaluation of each director's performance. The Committee also formulates the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The role and terms of reference of the Committee covers the matters as specified for Nomination & Remuneration Committee in the Companies Act, 2013 and SEBI Listing Regulations, 2015.

### Composition & Attendance:-

The Committee consists of three non-executive Directors viz. Mr. Ravi Prakash Pincha, Mr. Pradeep Kumar Singh and Mr.T.C.Bachhawat. Mr. Ravi Prakash Pincha, Non-Executive Independent Director has been designated as the Chairman of the Committee. The meeting of the Committee held on 28th September, 2018 and the attendance during the meeting is as follows:

SL. No.	Name of Member	Category	No. of meetings attended
1	Mr. Pradeep Kumar Singh	Member	1
2	Mr. T.C Bachhawat	Member	1
3	Mr. Ravi Prakash Pincha	Member & Chairman	1

**Remuneration Policy:** The Company has adopted a Remuneration Policy duly approved by its Board of Directors. A framed Remuneration Policy is also available on company's website, [www.kryptongroup.com](http://www.kryptongroup.com). For the performance evaluation criteria for Independent Directors, please refer Board's Report.

### Remuneration/Commission to Directors during the financial year 2018-2019:

Name of the Director	Sitting Fees (Rs.)	Salary, Perquisites & Commission (Rs.)	Total (Rs.)
Mr. Jay Singh Bardia	-	30,00,000	30,00,000
Mr. Pradeep Kumar Singh	4,000	-	4,000
Mr. T. C. Bachhawat	1,000	-	1,000
Mr. Ravi Prakash Pincha	1,000	-	1,000
Mrs. Vimala Devi Bardia	4,000	-	4,000

Other than sitting fees, there was no pecuniary relationship or transactions between Company and non executive directors.

No severance fee is payable and no stock option has been given.

## 5. Shareholders /Investors Grievance Committee:

The Stakeholders Relationship Committee reviews & redresses the investor / queries / grievances/ complaints on the matter relating to the transfer of shares, non receipt of Annual Reports, Non receipt

## KRYPTON INDUSTRIES LIMITED

of dividend declared etc. The committee also looks into the matters relating to approval, transfers, transmission, consolidation and splitting of such certificates. The company adopts a policy of disposing of investor's complaint within a span of 15 days.

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.

**Composition of and meetings attended by the members are as under :**

Sl. No.	Name of the Directors	Category	No. of Meeting attended
1.	Mrs. Vimala Devi Bradia	Member & Chairman	24
2.	Mr. Pradeep Kumar Singh	Member	24

**Investors Grievance Redressal :**

No. of shareholders Complaints received so far	Nil
No. of complaints not solved to the satisfaction of shareholders	Nil
No. of complaints pending at the end of the financial year 2018-19	Nil

**Name, designation and address of Compliance Officer :** CS Arti Baid (Bothra)  
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@kryptongroup.com

### 6. Independent Directors Meeting:

As per the Companies Act, 2013 and SEBI Listing Regulations, 2015 the Independent Directors are required to hold at least one meeting in a calendar year. Accordingly, a meeting had been held on 28th September, 2018 during the year under review. All the Independent directors were present in the Meeting.

### 7. General Body Meeting

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

YEAR	DATE	VENUE	TIME
2015-2016	22.09.2016	FALTA SPECIAL ECONOMIC ZONE Sector-1, Plot No. 31 & 32 Falta, 24-Parganas (S) Pin - 743 504, West Bengal	11.30 AM
2016-2017	22.09.2017		11.30 AM
2017-2018	20.09.2018		11.30 AM

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All the resolution, including special resolutions set out in the respective Notices was passed by the Shareholders. No Special Resolutions was passed using Postal ballot at the meetings held during the years under review.

No special Resolution is proposed to be passed through Postal Ballot at the forth coming Annual General Meeting.

### 8. Means of Communication:

- i) The company regularly intimates un-audited quarterly financial results to the stock exchanges immediately after these on record by the Board. These Financial results are normally published in The Economics Times / Business Standard and Kalantar and are also posted in the website of the company ie. www.kryptongroup.com. 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

1.	Annual General Meeting Date, Time & Venue	26th September, 2019 11.30 A.M. FSEZ, Sector-1, Plot no. 31 & 32, 24 Prgns (S) West Bengal-743504
2.	Date of Posting of Annual Report	On or before 31.08.2019
3.	Last date of Receipt of Proxy Forms	24th September, 2019 within 11.30 A.M.
4.	Record Date Book Closure	19.09.2019 20.09.2019 to 26.09.2019
5.	Financial Year i.e. April 2018-March 2019	First Quarter Results -14th August, 2018 Half Yearly Results- 14th November, 2018 Third Quarter Results - 4th February, 2019 Final Audited Results - 30th May 2019
6.	Listing of equity shares on Stock Exchanges	a) Bombay Stock Exchange Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 b) Calcutta Stock Exchange 7, Lyons Range, Murgighata, Dalhousie, Kolkata - 700 001
7.	Stock Code ISIN	Bombay Stock Exchange - 523550 Calcutta Stock Exchange -Physical K-025 INE 951B01014
8.	Register to issue and Share Transfer Agent	Maheshwari Datamatics Private Limited 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001
9.	Share Transfer Systems	The authority to approve Share transfer has been delegated by the Board of Directors to the Stakeholders Relationship Committee. The Shares sent for transfer in physical form are registered and returned by Registrar and Share Transfer Agent within fifteen days of receipt of documents provided the documents are found to be in order.

## KRYPTON INDUSTRIES LIMITED

10.	Dematerialization 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, 2019, equity shares of the company forming 92.72% of the share capital of the Company stands Dematerialized.						
11.	Outstanding GDRs /ADRs/warrant or any Convertible Instruments, conversion date and likely impact on equity:	No such warrants has been issued till date						
12.	Plant Locations	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <b>DIVISION - I (Tyre Division)</b>                      Falta Special Economic Zone                      Sector-1, Plot No. 31 &amp; 32                      Falta, 24-Parganas (S)                      Pin - 743 504, West Bengal                 </td> <td style="width: 50%; vertical-align: top;"> <b>DIVISION -II (Footwear Division)</b>                      Banganagar,                      Diamond Harbour Road                      Falta, 24-Parganas (S)                      Pin- 743 513, West Bengal                 </td> </tr> <tr> <td style="vertical-align: top;"> <b>DIVISION - III (Wheel Division)</b>                      Falta Special Economic Zone                      Sector-2, Plot No. 48                      24-Parganas (S)                      Pin - 743 504, West Bengal                 </td> <td style="vertical-align: top;"> <b>DIVISION - IV (Engineering Div)</b>                      Falta Special Economic Zone                      Sector-2, Plot no. 32                      24-Parganas (S)                      Pin- 743 504, West Bengal                 </td> </tr> <tr> <td style="vertical-align: top;"> <b>DIVISION - V (Plastic Division)</b>                      Falta Special Economic Zone                      Sector-2, Plot No. 49 (part)                      24-Parganas (S)                      Pin - 743 504, West Bengal                 </td> <td style="vertical-align: top;"> <b>DIVISION- VI (Sadhurhat Div.)</b>                      Sarisa Falta Road, Sadhurhat,                      PS- Ramnagar,                      24 Parganas (S),                      West Bengal -743504                 </td> </tr> </table>	<b>DIVISION - I (Tyre Division)</b> Falta Special Economic Zone Sector-1, Plot No. 31 & 32 Falta, 24-Parganas (S) Pin - 743 504, West Bengal	<b>DIVISION -II (Footwear Division)</b> Banganagar, Diamond Harbour Road Falta, 24-Parganas (S) Pin- 743 513, West Bengal	<b>DIVISION - III (Wheel Division)</b> Falta Special Economic Zone Sector-2, Plot No. 48 24-Parganas (S) Pin - 743 504, West Bengal	<b>DIVISION - IV (Engineering Div)</b> Falta Special Economic Zone Sector-2, Plot no. 32 24-Parganas (S) Pin- 743 504, West Bengal	<b>DIVISION - V (Plastic Division)</b> Falta Special Economic Zone Sector-2, Plot No. 49 (part) 24-Parganas (S) Pin - 743 504, West Bengal	<b>DIVISION- VI (Sadhurhat Div.)</b> Sarisa Falta Road, Sadhurhat, PS- Ramnagar, 24 Parganas (S), West Bengal -743504
<b>DIVISION - I (Tyre Division)</b> Falta Special Economic Zone Sector-1, Plot No. 31 & 32 Falta, 24-Parganas (S) Pin - 743 504, West Bengal	<b>DIVISION -II (Footwear Division)</b> Banganagar, Diamond Harbour Road Falta, 24-Parganas (S) Pin- 743 513, West Bengal							
<b>DIVISION - III (Wheel Division)</b> Falta Special Economic Zone Sector-2, Plot No. 48 24-Parganas (S) Pin - 743 504, West Bengal	<b>DIVISION - IV (Engineering Div)</b> Falta Special Economic Zone Sector-2, Plot no. 32 24-Parganas (S) Pin- 743 504, West Bengal							
<b>DIVISION - V (Plastic Division)</b> Falta Special Economic Zone Sector-2, Plot No. 49 (part) 24-Parganas (S) Pin - 743 504, West Bengal	<b>DIVISION- VI (Sadhurhat Div.)</b> Sarisa Falta Road, Sadhurhat, PS- Ramnagar, 24 Parganas (S), West Bengal -743504							
13.	Address for correspondence	M/s Krypton Industries Ltd 410, Vardaan Building, 25A, Camac Street, 4th Floor, Kolkata-700016 E-Mail: krypton@kryptongroup.com Ph: 033 22871366/ 1367, Fax -033 22871084						
14.	Website	www.kryptongroup.com						

**(b). Stock Market Data: -**

Monthly high and low quotations of shares traded at Bombay Stock Exchange (BSE) and performance in relation to BSE Sensex from April 2018 to March 2019 are as under:

Months	Krypton at BSE		BSE SENSEX	
	High (Rs)	Low (Rs)	High	Low
April, 2018	12.68	10.01	35213.30	32972.56
May, 2018	11.83	9.29	35993.53	34302.89
June, 2018	11.93	9.00	35877.41	34784.68
July, 2018	10.49	8.13	37644.59	35106.57

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August, 2018	12.50	9.50	38989.65	37128.99
September, 2018	16.80	10.50	38934.35	35985.63
October, 2018	15.00	11.20	36616.64	33291.58
November, 2018	15.00	12.50	36389.22	34303.38
December, 2018	13.95	10.65	36554.99	34426.29
January, 2019	13.95	10.22	36701.03	35375.51
February, 2019	13.88	10.05	37172.18	35287.16
March, 2019	16.50	11.67	38748.54	35926.94

**c. Distribution of Shareholding:**

i) Category wise shareholding pattern as on 31.03.2019 was as under:

CATEGORY	NO.OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
<b>PROMOTER'S HOLDING</b>		
Foreign Promoters	50796	0.35
Indian Promoters	3878611	26.39
<b>NON-PROMOTERS HOLDING</b>		
Banks, Financial Institutions, NBFCS Registered With RBI	25870	0.18
Insurance Companies	-	-
Central/State Govt.Institutions/ Non-Govt. Institutions	-	-
Mutual Funds/UtI/Trust	4465	0.03
Clearing Members	11319	0.08
Private Corporate Bodies	1265949	8.61
Indian Public	8219855	55.93
NRIs/OCBs	1240265	8.43
<b>TOTAL</b>	<b>14697130</b>	<b>100.00</b>

ii) **Distribution of Share Holding As on 31.03.2019**

Nominal Value of Shares (Rs)	Share Holders		No. of Shares	
	(Numbers)	%of Total	(Numbers)	% of Total
(1)	(2)	(3)	(4)	(5)
Upto 5,000	6635	86.4608	827934	5.6333
5001 to 10000	359	4.6781	301528	2.0516
10001 to 20000	207	2.6974	318396	2.1664

## KRYPTON INDUSTRIES LIMITED

20001 to 30000	97	1.2640	253427	1.7243
30001 to 40000	48	0.6255	173435	1.1801
40001 to 50000	64	0.8340	305214	2.0767
50001 to 100000	93	1.2119	697272	4.7443
100001 & Above	171	2.2283	11819924	80.4233
<b>Grand Total :</b>	<b>7674</b>	<b>100.0000</b>	<b>14697130</b>	<b>100.0000</b>

### 10. Disclosures

#### **Related Party Transactions:**

All transactions entered into with the related parties during the financial year ended 31st March, 2019 were in the ordinary course of business and on an arm's length basis and without any conflict of interest in accordance with the provisions of the Companies Act, 2013 and SEBI Regulations, 2015. Moreover, there were no materially significant related party transactions during the financial year which were in conflict with the interest of the Company. Suitable disclosures as prescribed under the applicable Accounting Standard have been made in the Note 43 to the Financial Statements.

A framed Policy on Related Party Transactions is uploaded on the Company's website, [www.kryptongroup.com](http://www.kryptongroup.com).

#### **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.

#### **Whistle Blower Policy:**

The Company has adopted Whistle Blower/ Vigil Mechanism Polcy for Directors and employees which has been uploaded on the company's website, [www.kryptongroup.com](http://www.kryptongroup.com). The Audit Committee is entrusted with the responsibility to oversee the Vigil Mechanism.

#### **Details of compliances with Mandatory Requirements and adoption of the non-mandatory requirements of this clause:**

All the Mandatory requirements have been appropriately complied with and the non- mandatory requirements are mentioned at the end of the Report.

#### **Policy on Determination of Materiality for Disclosures & Archival Policy:**

The Company has adopted a policy on determination of materiality for disclosures to disclose events or information which, in the opinion of the board of directors of the Company, are material and the same has been uploaded on the company's website, [www.kryptongroup.com](http://www.kryptongroup.com).

#### **Share Capital Reconciliation Audit:**

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

#### **Disclosure of Accounting Treatment**

The Company has followed all relevant Accounting Standards as prescribed by The Institute of Chartered Accountants of India while preparing the financial statements.

#### **Proceeds from Public Issues, Right Issues and Preferential Issues, etc**

During the financial year 2018-2019, the company did not issue or allot any securities to its shareholders.

# KRYPTON INDUSTRIES LIMITED

## Disclosure of Risk Management

The Company has the risk assessment and mitigation procedures in place and the same have been laid before the Board members from time to time.

**List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad.**

Facilities/Instruments	Credit rating by CRISIL
Long-Term Banking Rating (Fund based and Non Fund based facility)	CRISIL BB-IStable (Upgraded from CRISIL B+/Stable)
Short-Term Banking Rating (Fund based and Non-Fund based facility)	CRISIL A4+(Upgraded from CRISIL A4)

## Certificate from Company Secretary in Practice

The Company has received a certificate from a Company Secretary in Practice that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the board/Ministry of Corporate Affairs or any such statutory authority.

During the year Board has accepted all mandatory recommendation made by the committee.

## Disclosure of fees to Statutory Auditor

Total fees for all the services paid by the company on a consolidated basis a sum of Rs. 2.50 lacs for the financial year 2018-19 to M/s. P. K. Luharuka & Co.,m Statutory Auditor of the company.

## Disclosure of Sexual Harassment of Women at Workplace

During the year, no complaints were filed in relation to the Sexual Harassment of Women at workplace.

## Compliance

The Disclosures on Corporate Governance as required under Regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 have been adhered and complied with.

## Compliance with the Non Mandatory Requirements

### i) The Board

The company has not adopted and allowed any reimbursement of expenses incurred by the Non-Executive chairman who is entitled to maintain a Chairman's office at the Company's expenses, in performance of his duties.

### ii) Shareholders Rights

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

### iii) Audit qualifications

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

### iv) Separate posts of Chairman and CFO

The Company has appointed separate persons to the post of chairman and Managing Director/ CFO.

### v) Reporting of Internal Auditor

Presently, the Internal Auditor is not directly reporting to the Audit Committee

**CEO / CFO CERTIFICATION**

(Pursuant to SEBI Listing Regulations, 2015)

The Board of Directors

**KRYPTON INDUSTRIES LIMITED**

Pursuant to Regulations 17(8) of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, this is to certify that:

1. We have reviewed financial statements and the Cash Flow Statement for the year ended 31st March 2019, and to the best of our knowledge and belief;
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements might be misleading;
  - b) These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, there are no transactions entered into by the Company during the years, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibilities for establishing and maintaining internal control for financial reporting. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken for rectifying these deficiencies.
4. We have indicated to the Auditors and Audit Committee
  - a) Significant changes in internal control over financial reporting during the year.
  - b) Significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management, or an employee having a significant role in the company's internal control system over financial reporting.

For **Krypton Industries Limited**

Place: Kolkata  
Date: 30.05.2019

Sd/-  
Jay Singh Bardia  
(Managing Director)  
DIN : 00467932

Sd/-  
Panna Lal Bardia  
(Chief Executive Officer)

Sd/-  
Vinay Sipani  
(Chief Financial Officer)



# **KRYPTON INDUSTRIES LIMITED**

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## **Declaration on Compliance of the Company's Code of Conduct**

As provided under Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, 2015, all Board members and Senior Management Personnel have affirmed compliance with code of conduct as applicable to them for the year ended 31st March, 2019.

For **Krypton Industries Limited**

Place: Kolkata  
Date: 30.05.2019

Sd/-  
Jay Singh Bardia  
(Managing Director)  
DIN : 00467932

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## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
**Krypton Industries Limited**

We have examined the compliance of conditions of Corporate Governance by **Krypton Industries Limited**, for the year ended on March 31, 2019, as stipulated in SEBI Listing Regulations, 2015 of the said company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. 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, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned 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 **P. K. LUHARUKA & CO.**  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 322020E

Place : Kolkata.  
Dated : 30.05.2019

**PRADEEP KUMAR LUHARUKA**  
PARTNER  
Membership No.055782

**ANNEXURE - V :**

**Form No. MR - 3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To,

The Members,

**KRYPTON INDUSTRIES LIMITED**

Falta Special Economic Zone Sector 1 Plot No 31

& 32 P S Diamond Harbour

Twenty Four Parganas

West Bengal, 743504

1. I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KRYPTON INDUSTRIES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.
2. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **KRYPTON INDUSTRIES LIMITED ("The Company")** for the period ended on 31st March, 2019, according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations/ guidelines/ circulars/ as may be issued by SEBI from time to time;

**I further report that, there were no actions/ events in pursuance of;**

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

## **KRYPTON INDUSTRIES LIMITED**

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- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that having regards to the compliance system prevailing in the Company and as per the representation made by the management, the company has complied with the specific applicable laws like:

- a. Special Economic Zone Act, 2005

**We have also examined compliance with the applicable clauses of the following:**

- i. Secretarial Standards, SS-1 and SS-2 issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Calcutta Stock Exchange Limited, Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned above, subject to the following observations:

- i. The company has not made payment of Annual Listing Fee to Calcutta Stock Exchange Limited.
- ii. The company has a pending case with the Bankshall Court under section 299, 63, 73 (2B) of the Companies Act, 1956 and the matter is subjudice.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Director during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meeting and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there are no specific events or actions having a major bearing on the Company's affairs in pursuance of laws, rules, regulations and guidelines, standard, etc., referred to above.

This report is to be read with our letter of even date which is annexed "ANNEXURE - A" and forms an Integral Part of this Report.

For **MEENAKSHI AGARWAL**  
COMPANY SECRETARY  
C. P. NO. 8292

Place : Kolkata.

Dated : 30.05.2019

**"ANNEXURE - A"**

(TO THE SECRETARIAL AUDIT REPORT OF KRYPTON INDUSTRIES LIMITED  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019)

To,

The Members,

**KRYPTON INDUSTRIES LIMITED**

Falta Special Economic Zone Sector 1 Plot No 31

& 32 P S Diamond Harbour

Twenty Four Parganas

West Bengal, 743504

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **MEENAKSHI AGARWAL**

COMPANY SECRETARY

C. P. NO. 8292

Place : Kolkata.

Dated : 30.05.2019

# KRYPTON INDUSTRIES LIMITED

## INDEPENDENT AUDITORS' REPORT

To the Members of

**Krypton Industries Limited**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying standalone financial statements of **Krypton Industries Limited ("the Company")**, which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and its profit and other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Description of Key Audit Matter**

<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<b><u>Revenue Recognition</u></b> Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. During the year ended March 31, 2019,	Our audit procedures included the following:- <ul style="list-style-type: none"><li>• Considering Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.</li><li>• Assessing the design and tested the operating effectiveness of internal controls related to revenue recognition.</li></ul>

## KRYPTON INDUSTRIES LIMITED

<p>the company has recognised revenue amounting to Rs. 2851.24 Lakhs &amp; Rs. 766.32 Lakhs from domestic and export (including exports from SEZ) sales respectively. Terms of sales arrangements, including the timing of transfer of control, delivery specifications including terms in case of exports, timing of recognition of sales require significant judgment in determining revenues. The risk is, therefore, that revenue may not get recognised in the correct period or that revenue and associated profit may be misstated. Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it has been determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<ul style="list-style-type: none"> <li>• Testing samples of individual sales transaction and tracing to sales invoices, sales orders, (received from customers) and other related documents including terms and conditions, if any.</li> <li>• Selecting sample of sales transactions made pre- and post-year end, agreeing the period of revenue recognition to underlying documents.</li> <li>• Performing analytical review of revenue to identify any unusual trends.</li> <li>• Assessing the relevant disclosures made within the standalone Ind AS financial statements.</li> </ul>
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The Key Audit Matter	How the matter was addressed in our audit
<p><b><u>Provisions/Accruals for Rebates &amp; Incentives</u></b></p> <p>Revenue is recognised net of Rebates, discounts, incentives, and sales returns owed to the customers based on the arrangement with customers.</p> <p>The recognition and measurement of rebates, discounts and incentives, including establishing an appropriate accrual at year end, involves significant judgement and estimates, particularly the expected level of claims of each of the customers.</p> <p>The value of rebates, discounts and schemes allowances together with the level of judgement involved make its accounting treatment a significant matter for our audit.</p>	<p>Our audit procedures included the following:-</p> <ul style="list-style-type: none"> <li>• Selecting a sample of revenue transactions and scheme details to re-check that rebates, discounts and incentives were calculated in accordance with the eligibility criteria mentioned in the scheme details;</li> <li>• Considering the assumptions and judgements used by the Company in calculating rebates, discounts and incentives, including the level of expected claims, by reviewing historical trends of claims.</li> </ul>

The Key Audit Matter	How the matter was addressed in our audit
<p><b><u>Inventories</u></b></p> <p>Total Inventory as at 31.03.2019 was Rs. 1734.82 Lakhs and Finished goods of Rs. 801.38 Lakhs comprise 46.19 per cent of such inventory holdings. Total Inventories are 47.96 per cent of the total turnover of the company for FY 2018-2019.</p> <p>The inventories are counted by the company on a</p>	<p>Our audit procedures included the following:-</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls relating to physical verification of inventories by the management of the Company.</li> </ul>

# KRYPTON INDUSTRIES LIMITED

<p>cyclical basis and accordingly provisions for obsolescence, if any, of inventories are assessed and recognized by the management in the financial statements based on management estimation as at the end of the reporting period. Significant degree of judgment is thereby required to assess the net realizable value of the inventories and appropriate level of provisioning for items which may be ultimately sold below cost. Such judgment includes management's expectations for future sale volumes, inventory liquidation plans and future selling prices less cost to sell.</p> <p>Such high holdings, existence and valuation of inventories make it a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Assessing whether items in the inventory ageing report prepared by the management were classified within the appropriate ageing bracket;</li> <li>• Performing a review of the provisions for inventories by examining movements in the balance during the current year;</li> <li>• Assessing, on a sample basis, the net realizable value of inventories as calculated by management with reference to prices achieved and costs to sell after the financial year end.</li> </ul>
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## Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



# **KRYPTON INDUSTRIES LIMITED**

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## **Report on other Legal and Regulatory Requirement**

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - (i) The Company as detailed in Note 40 to the standalone financial statements has disclosed the impact of pending litigations as on March 31, 2019 on its financial position in its standalone financial statements.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **P. K. LUHARUKA & CO.**  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 322020E

Place : Kolkata.  
Dated : 30.05.2019

**PRADEEP KUMAR LUHARUKA**  
PARTNER  
Membership No.055782

**ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT**

Referred to in Paragraph 9 under "Report on other Legal and Regulatory Requirements" of our report of even date to the Financial Statements of the Company for the year ended March 31, 2019

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets
  - (c) According to the information and explanations given to us and the records examined by us, and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company, except for leasehold building acquired, pursuant to the scheme of Amalgamation (i.e. Eco Wheels Pvt. Ltd. and Barons Polymers Pvt. Ltd.) as per High Court Order dated 28.02.2013.
- (ii) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable. On the basis of our examination of the record of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) In respect of the loans, secured or unsecured, granted by the Company to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:
  - (a) In our opinion the rate of interest and other terms and conditions on which the loans had been granted were not, prima facie, prejudicial to the interest of the company.
  - (b) The borrowers are regular in repaying the Principal Amounts and interest as stipulated, and are also regular in payment of as applicable.
  - (c) There is no overdue amount for more than 90 days.
- (iv) In our opinion and to the best of information and explanations given to us the Company has complied with the provisions laid down under sections 185 or 186 of the Act with respect to loans and investments made in the current year. However, Opening balance of such loans granted to "persons in whom the director is interested" before the commencement of Section 185 still exists on Balance Sheet date.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of Paragraph 3 of the Order are not applicable.
- (vi) We have broadly reviewed the cost records maintained by the company as prescribed by the Central Government under section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

## KRYPTON INDUSTRIES LIMITED

(vii) In respect of Statutory Dues:

- (a) According to the information and explanations given to us and on the basis of examination of records given to us, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty, Value Added Tax, etc have been generally regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty, Value Added Tax, etc were in arrears as at 31st March, 2019 for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us and on the basis of examination of records given to us, there are no dues of customs which have not been deposited with appropriate authorities on account of any dispute. However, according to information and explanations given to us, dues of Income Tax aggregating ₹20,36,029/- and Sales Tax aggregating ₹ 31,59,113/-, 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.

Sl. No.	Name of the Statute	Nature of the Dues	Amount (₹)		Period to which the amount relates	Forum where the dispute is pending
			Amount of Demand / Dispute (₹)	Amount Deposited (₹)		
1	Income Tax Act, 1961	Income Tax (For the Company)	₹ 14,33,509/-	–	AY : 2012-13	Appeal u/s 246A before CIT (Appeals)
2		Income Tax (For the Company)	₹ 6,02,520/-	–	FY : 2011-12	Appeal u/s 246A before CIT (Apeels)
3	Central Sales Tax Act/WB VAT Act.	Sales Tax & VAT (For the Company)	₹ 31,97,413/-	₹ 38,300/-	FY : 2010-11	Appeal with joint Commissioner

- (viii) 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 loans or borrowings to any financial institution, bank or government. Further, the Company has not issued any debentures. Hence, reporting under Clause (viii) of the Order is not applicable to the Company.
- (ix) The Company did not raise any money by way of Initial Public Offer or Further Public Offer (including debt instruments). All money raised by Term loans was applied for the purposes for which it was raised.
- (x) According to the information and explanations given to us no material fraud on or by the Company by its officer or employees has been noticed or reported during the course of our audit.

**KRYPTON INDUSTRIES  
LIMITED**

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- (xi) According to the information and explanations given to us and on the basis of examination of records of the Company, the Company has paid/provided for Managerial Remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under Clause (xii) of CARO 2016 Order is not applicable here.
- (xiii) According to the information and explanations given to us and on the basis of examination of records of the Company the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions has been disclosed in the financial statements, etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under Clause (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and on the basis of examination of records of the Company the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly paragraph 3(xv) of Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

For **P. K. LUHARUKA & CO.**  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 322020E

Place : Kolkata.  
Dated : 30.05.2019

**PRADEEP KUMAR LUHARUKA**  
PARTNER  
Membership No.055782

**ANNEXURE "B" TO INDEPENDENT AUDITORS' REPORT**

Referred to in Clause (f) of Paragraph 10 under "Report on other Legal and Regulatory Requirements" of our report of even date to the financial statements of the company for the year ended March 31, 2019.

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of  
Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Krypton Industries Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as on March 31, 2019.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Control, and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P. K. LUHARUKA & CO.**  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 322020E

Place : Kolkata.  
Dated : 30.05.2019

**PRADEEP KUMAR LUHARUKA**  
PARTNER  
Membership No.055782

# KRYPTON INDUSTRIES LIMITED

## Balance Sheet as at 31st March, 2019

	Note No.	As at 31/03/2019 (₹ in Thousands)	As at 31/03/2018 (₹ in Thousands)
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment	"2"	165,716.52	174,458.98
(b) Capital Work -in- Progress	"3"	2,065.68	2,027.68
(c) Financial Assets			
(i) Investments	"4"	727.86	616.18
(ii) Trade Receivables		-	-
(iii) Long Term Loans	"5"	10,060.08	10,649.78
(iv) other Financial Assets	"6"	3,194.13	3,835.69
(d) Non-Current Tax Assets	"7"	3,611.55	3,185.86
(e) Other Non-Current Assets		-	-
		<u>185,375.82</u>	<u>194,774.17</u>
<b>Current Assets</b>			
(a) Inventories	"8"	173,481.62	175,032.01
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	"9"	59,244.16	68,331.87
(iii) Cash & Cash Equivalent	"10"	8,649.61	2,612.58
(iv) Bank Balances other than (iii) above	"11"	8,774.08	10,331.24
(v) Short Term Loans	"12"	4,151.47	5,740.69
(vi) Other Financial Assets	"13"	1,638.20	200.00
(c) Current Tax Assets	"14"	27,150.09	21,685.23
(d) Other Current Assets	"15"	8,484.52	1,547.59
		<u>291,573.75</u>	<u>285,481.21</u>
		<u>476,949.57</u>	<u>480,255.38</u>
<b>Total Assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	"16"	146,971.30	146,971.30
(b) Other Equity	"17"	123,404.22	110,824.65
		<u>2,70,375.52</u>	<u>2,57,795.95</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	"18"	14,143.70	22,662.61
(ii) Other Financial Liabilities	"19"	-	400.00
(b) Long Term Provisions	"20"	4,368.93	8,513.99
(c) Deferred Tax Liabilities (Net)	"21"	9,455.10	9,636.07
(d) Other Non-Current Liabilities		-	-
		<u>27,967.73</u>	<u>41,212.67</u>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	"22"	120,879.45	120,064.45
(ii) Trade Payables	"23"	23,593.80	30,798.76
(iii) Other Financial Liabilities	"24"	23,059.93	23,138.00
(b) Other Current Liabilities	"25"	7,836.13	4,844.43
(c) Current Tax Liabilities (Net)	"26"	1,449.95	1,611.16
(d) Provisions	"27"	1,787.06	789.96
		<u>178,606.32</u>	<u>181,246.76</u>
		<u>476,949.57</u>	<u>480,255.38</u>
<b>Total Equity And Liabilities</b>			
Summary of significant accounting policies			
The accompanying notes are an integral part of the financial statements.			

**JAY SINGH BARDIA**

Managing Director  
(DIN : 00467932)

**PRADEEP KUMAR SINGH**

Director  
(DIN : 00386800)

Place : Kolkata

Dated : The 30th Day of May, 2019

**VINAY SIPANI**

Chief Financial Officer

**ARTI BAID**

Company Secretary

In terms of our attached report of even date

For **P. K. LUHARUKA & CO.**

CHARTERED ACCOUNTANTS

Firm Registration No.: 322020E

**PRADEEP KUMAR LUHARUKA**

PARTNER

Membership No. 055782

# KRYPTON INDUSTRIES LIMITED

## Statement of Profit and Loss for the year ended 31st March, 2019

	Note No.	Year Ended 31/03/2019 (₹ in Thousands)	Year Ended 31/03/2018 (₹ in Thousands)
<b>INCOME</b>			
Gross Revenue from Operations	"28"	<u>361,756.51</u>	<u>293,611.26</u>
Net Revenue from Operations		<u>361,756.51</u>	<u>293,611.26</u>
Other Income	"29"	<u>3,899.25</u>	<u>10,402.16</u>
<b>Total Revenue</b>		<u><b>365,655.76</b></u>	<u><b>304,013.42</b></u>
<b>EXPENSES</b>			
Cost of Materials Consumed	"30"	<u>170,347.71</u>	<u>135,495.73</u>
Purchase of Stock in Trade		<u>2,556.12</u>	<u>3,957.31</u>
Changes in Inventories	"31"	<u>(2,506.44)</u>	<u>(2,025.77)</u>
Excise Duty		<u>-</u>	<u>427.99</u>
Employee Benefits Expenses	"32"	<u>68,787.59</u>	<u>59,412.28</u>
Power and Fuel	"33"	<u>10,944.88</u>	<u>10,174.44</u>
Finance Cost	"34"	<u>14,983.51</u>	<u>19,167.47</u>
Depreciation and Amortization	"35"	<u>15,921.42</u>	<u>16,699.18</u>
Other Expenses	"36"	<u>75,510.72</u>	<u>61,945.66</u>
<b>Total Expenses</b>		<u><b>356,545.51</b></u>	<u><b>305,254.29</b></u>
<b>Profit before Tax</b>		<u><b>9,110.25</b></u>	<u><b>(1,240.87)</b></u>
Tax Expenses:			
Current Tax	"37"	<u>(200.17)</u>	<u>(833.00)</u>
Deferred Tax			
Tax pertaining to earlier years			
<b>Profit/ (Loss) for the Year</b>		<u><b>9,310.42</b></u>	<u><b>(407.87)</b></u>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified subsequently to Profit &amp; Loss</b>			
i. Remeasurement of post -employment benefits plans		<u>73.83</u>	<u>261.97</u>
ii. Tax relating to above items		<u>19.20</u>	<u>78.00</u>
<b>Total other Comprehensive Income for the year net of tax</b>		<u><b>54.63</b></u>	<u><b>183.97</b></u>
<b>Total Comprehensive Income for the year</b>		<u><b>9,365.05</b></u>	<u><b>(223.90)</b></u>
<b>Earning per Equity Share</b>			
Basic & Diluted EPS (₹)	"38"	<u><b>0.63</b></u>	<u><b>(0.03)</b></u>

Summary of significant accounting policies "1"

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

**JAY SINGH BARDIA**

Managing Director  
(DIN : 00467932)

**PRADEEP KUMAR SINGH**

Director  
(DIN : 00386800)

Place : Kolkata

Dated : The 30th Day of May, 2019

**VINAY SIPANI**

Chief Financial Officer

**ARTI BAID**

Company Secretary

In terms of our attached report of even date

For **P. K. LUHARUKA & CO.**  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 322020E

**PRADEEP KUMAR LUHARUKA**  
PARTNER

Membership No. 055782



# KRYPTON INDUSTRIES LIMITED

## Cash Flow Statement for the year ended 31st March, 2019

	Year ended 31/03/2019 (₹ in Thousands)	Year ended 31/03/2018 (₹ in Thousands)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before Tax</b>	<b>9,110.25</b>	(1,240.87)
Adjustment for :		
Finance Costs	<b>14,983.51</b>	19,167.47
Deferred tax		
Depreciation and Amortization Expenses	<b>15,921.42</b>	16,699.18
Other Income	<b>3,214.52</b>	-
Current Service Cost for Gratuity	<b>892.60</b>	-
Excess Provision for Interest Recievable written off	-	-
Balance written off	<b>(826.14)</b>	(84.20)
Interest Income	<b>(1,823.19)</b>	(1,701.96)
OCI	<b>54.63</b>	183.97
Income from Investing Activities	<b>(13.01)</b>	(23.35)
<b>Operating profit before working capital changes</b>	<b>41,514.59</b>	33,000.24
Changes in working Capital:		
Inventories	<b>1,550.39</b>	10,667.27
Trade and other Receivables	<b>9,087.71</b>	22,337.27
Trade and other Payables	<b>(7,204.96)</b>	(17,686.45)
(Increase)/Decrease in Loans	<b>2,178.92</b>	537.57
(Increase)/Decrease in Financial Assets	<b>(796.64)</b>	2,494.67
(Increase)/Decrease in other Assets	<b>(12,827.48)</b>	2,304.00
Increase/(Decrease) in other Financial Liabilities	<b>(478.07)</b>	(7,384.60)
Increase/(Decrease) in other Liabilities	<b>2,991.70</b>	(751.93)
Increase/(Decrease) in Provisions	<b>(3,147.96)</b>	951.23
<b>Cash generation from Operation</b>	<b>32,868.20</b>	46,469.27
Payment of Direct Taxes (net)		
<b>Net Cash generated/ (used) - Operating Activities</b>	<b>32,868.20</b>	46,469.27
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(7,178.96)</b>	(2,122.79)
Capital work in progress	<b>(38.00)</b>	(983.51)
Sale of Fixed Assets	-	-
Purchase of Investments	<b>(98.67)</b>	-
Sale of Investments	-	-
Proceeds/ Repayment of Short-Term Loans (Net)	-	-
Proceeds/ Repayment of Loans from/to Body Corporate (Net)	-	-
Decrease in short term provision	-	-
Increase in long term loans and advances and non current asset	-	-
Decrease in other long term liabilities and other liabilities	-	-
Interest Received	<b>857.06</b>	658.07
<b>Net Cash Generated/ (Used) - Investing Activities</b>	<b>(6458.57)</b>	(2,448.23)

# KRYPTON INDUSTRIES LIMITED

## C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from issue of Shares	-	-
Repayment of Long-term Borrowings	(8,518.91)	(8,731.03)
Proceeds/ Repayment of Short-term Borrowings (Net)	815.00	(11,326.95)
Finance Cost Paid	(14,225.85)	(19,148.27)
Dividend Paid (includes amount transferred to Investor Education & Protection Fund)	-	-
Net Cash Generated/ (Used) - Financing Activities	<u>(21,929.76)</u>	<u>(39,206.25)</u>
Net Increase/ (Decrease) in Cash and Cash Equivalents	4,479.87	4,814.79
Add : Opening Cash and Cash Equivalents	12,943.82	8,129.03
Closing Cash and Cash Equivalents	<u>17,423.69</u>	<u>12,943.82</u>

The Cash Flow Statement has been prepared under the indirect method as set out in IND AS 7 Cash Flow Statement.

## Statement of Changes in Equity for the year ended 31st March, 2019

	Numbers	Amount (₹ in Thousands)
<b>A. Equity Share Capital</b>		
<b>Equity Shares of INR 10 each issued, subscribed and fully paid</b>		
On April 1, 2017	14697130	146,971.30
Changes in equity Share capital during the year	-	-
Balances at March 31, 2018	14697130	146,971.30
Changes in equity Share capital during the year	-	-
<b>Balances at March 31, 2019</b>	<u>14697130</u>	<u>146,971.30</u>
		(Rs. '000)
<b>B. Other Equity</b>		
<b>Particulars</b>	<b>Reserve &amp; Surplus</b>	
	Securities Premium      General Reserve	Retained Earnings      OCI      Total
As at April 01, 2017	36553.40      5,707.51	69,564.30      (780.71)      111,044.50
Profit /(Loss) for the year	-      -	(407.87)      -      (407.87)
Items of Other Comprehensive Income, net of tax	-      -	-      -      -
Remeasurements of defined benefit plans	-      -	4.05      (183.97)      (183.97)
<b>Balances at March 31, 2018</b>	<u>36553.40      5707.51</u>	<u>69160.48      (596.74)      110,824.65</u>
Profit /(Loss) for the year	-      -	9,310.42      -      9,310.42
Items of Other Comprehensive Income, net of tax	-      -	-      -      -
Remeasurements of defined benefit plans	-      -	-      54.63      54.63
changes in fair value of Investments	-      -	-      -      -
other Adjustments:	-      -	3214.52      -      3,214.52
<b>Balances at March 31, 2019</b>	<u>36553.40      5707.51</u>	<u>81685.42      (542.11)      123,404.22</u>

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

**JAY SINGH BARDIA**  
Managing Director  
(DIN : 00467932)

**PRADEEP KUMAR SINGH**  
Director  
(DIN : 00386800)

Place : Kolkata  
Dated : The 30th Day of May, 2019

**VINAY SIPANI**  
Chief Financial Officer

**ARTI BAID**  
Company Secretary

In terms of our attached report of even date  
For **P. K. LUHARUKA & CO.**  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 322020E

**PRADEEP KUMAR LUHARUKA**  
PARTNER  
Membership No. 055782

# KRYPTON INDUSTRIES LIMITED

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## Notes to the Financial Statements as at and for the year ended 31st March 2019

### 1. Summary of Significant Accounting Policies and Other Explanatory Information

#### I. GENERAL CORPORATE INFORMATION

Krypton Industries Limited ("The Company") with its registered office at Falta Special Economic Zone, Sector - 1, Plot No. 31 & 32, P.S - Diamond Harbour, 24 Parganas, South, West Bengal - 743504. The Company is engaged in Manufacture and Sale of Tubeless Tyres, Commode Chairs, P.U. Shoe Soles, P.U. Sandals/ Chappals and trading in Tubeless Tyres, Wheel Chairs and its accessories, Walker, Cycle Accessories, Plastic Rims, Crutches, Rollators, etc.

The financial statements were authorised for issue by the Company's Board of Directors of 30th May, 2019.

#### II. BASIS OF PREPARATION:

##### a) Statement in Compliance with Indian Accounting Standards (Ind AS)

The standalone financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional Currency. All figures have been rounded off to the nearest thousand, unless otherwise indicated.

##### **Historical cost convention**

The standalone financial statements have been prepared on a historical cost basis, except the following:

- certain financial assets and liabilities that are measured at fair value; and
- defined benefit plans - plan assets measured at fair value.

##### **Accounting estimates and judgements**

Preparation of financial statements requires the use of judgements, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation of such estimates and judgments are done based on historical experience and other factors, including future expectations that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively.

Details of critical estimates and judgments used which have a significant effect on the carrying amount of assets and liabilities, are provided in the following notes:

##### **Income tax:**

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

##### **Useful life of property, plant and equipments:**

Refer note III (b) for details.

**Notes to the Financial Statements as at and for the year ended 31st March 2019**

***Measurement of defined benefit obligations:***

The costs of providing pensions and other post-employment benefits are charged to the standalone statement of profit and loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 32 and 46.

***Classification of leases:***

Refer note III (j) for details.

***Estimation of provisions and contingencies:***

Refer note III (k), 20, 27 and 40 for details.

***Recognition of deferred tax assets:***

Refer note III (l) for details.

***Fair value measurements:***

When the fair values of financial assets and financial liabilities recorded in the standalone balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

The Company presents all its assets and liabilities in the standalone balance sheet based on current or non-current classification. Assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

**III. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Revenue from contract with customers**

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018) in retained earnings, if any. The comparative information in the statement of profit and loss is not restated - i.e. the comparative information

**Notes to the Financial Statements as at and for the year ended 31st March 2019**

continues to be reported under Ind AS 18. Refer note III(a) of the Standalone Financial Statement Significant accounting policies - Revenue recognition in the Annual report of the Company for the year ended 31 March 2018, for the revenue recognition policy as per Ind AS 18. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

At contract inception, Company assesses the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue is recognised upon transfer of control of promised products or services to customers in an amount of the transaction price that is allocated to that performance obligation and that reflects the consideration which the Company expects to receive in exchange for those products or services.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer net of returns, excluding amounts collected on behalf of third parties (for example, taxes) and excluding discounts and incentives, as specified in the contract with customer.

With respect to sale of products and rendering of certain services, revenue is recognised at a point in time when the performance obligation is satisfied and the customer obtains the control of goods or services. There are no significant financing components involved on contract with customers. Invoices are usually payable within the credit period as agreed with respective customers.

The Company recognises revenue only when it is probable that it will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

***Customer Incentive:***

The Company usually have customer Incentive programs for their customers based on the sales from time to time. The Company grants incentive to only those customers who have qualifying sales, at certain percentage of total transaction made by them during the said periods.

The company has made a provisional calculation of the Incentive to be made for the period and the same has been considered by the company while computing the Net Revenue in the books.

***Job Work:***

The Company has entered into Job Work arrangements with big OEM's, and products are manufactured on their behalf and accordingly, the revenues from such arrangements have been recorded as part of gross revenue.

***Income from export incentives:***

Income from export incentives such as Merchandise Export from India Scheme (MEIS) and duty drawback are recognized on accrual basis.

***Interest income:***

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

**(b) Property, plant and equipment**

***Recognition and initial measurement:***

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the

**Notes to the Financial Statements as at and for the year ended 31st March 2019**

acquisition of the items. Subsequent costs are added in the asset's carrying amount/recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of such item can be measured reliably. All other repairs and maintenance expenses are charged to the standalone statement of profit and loss in the period in which they are incurred. Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the standalone statement of profit and loss. Refer Note No. 2 to Financial Statements.

**Capital work-in-progress:**

Property, plant and equipment which are not ready for intended use as on the balance sheet date are disclosed as "Capital work-in-progress".

**Subsequent measurement(depreciation and useful lives):**

Depreciation is provided on a pro-rata basis on the written down value (WDV) method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. Depreciation of land acquired under finance lease and leasehold improvements is provided over their respective lease period or estimated useful life whichever is shorter. Residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each Balance Sheet date and any change in them is adjusted prospectively.

<b>Category of asset</b>	<b>Useful life</b>
Buildings	30 years
Plant and equipment	15 years
Furniture and fixtures	10 years
Office equipment	3 - 5 years
Vehicles	8-10 years

Freehold land is carried at historical cost. The management believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used. Refer Note No. 2 to Financial Statements.

**De-recognition:**

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the standalone statement of profit and loss, when the asset is de-recognized.

**(c) Financial Instruments**

**A) Financial Assets:**

**Classification:** The Company classifies its financial assets in the following measurement categories depending on the Company's business model for managing such financial assets and the contractual cash flow terms of the asset.

- (i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

# KRYPTON INDUSTRIES LIMITED

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## Notes to the Financial Statements as at and for the year ended 31st March 2019

- (ii) those subsequently measured at amortized cost.

For assets measured at fair value, gains or losses are either recorded in the statement of profit and loss or other comprehensive income. Investments in debt instruments are classified depending on the business model managing such investments. The Company re-classifies the debt investments when and only when there are a change in business model managing those assets. For investments in equity instruments recording of gains or losses shall depend on whether the Company has made an irrevocable election at the time of initial recognition to account for such equity investments at fair value through other comprehensive income.

**Measurement:** At initial recognition, the Company measures a financial asset (other than those carried at fair value through profit or loss) at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss as and when they are incurred.

### **Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model managing such debt instruments and the contractual cash flow characteristics of the instrument. There are three measurement categories into which the debt instruments are classified:

- (i) **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- (ii) **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at Fair value through Other Comprehensive Income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method.
- (iii) **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in statement of profit and loss in the period in which it arises.

**Equity instruments:** The Company classifies all its equity investments at fair value through profit and loss or at fair value through other comprehensive income basis. Changes in the fair value of financial assets at fair value through profit and loss are recognized in other gains/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVOCI are not reported separately from other changes in fair value.

**Notes to the Financial Statements as at and for the year ended 31st March 2019**

**Impairment:**

The Company assesses the expected credit losses for its financial assets at amortized cost and FVTOCI debt instruments. Impairment methodology applied depends on whether there has been a significant increase in credit risk and the loss amount assessed depends upon past events, present conditions and future economic scenario.

In accordance with Ind AS 109: Financial instruments, the company recognizes impairment loss allowance on trade receivables based on historically observed default rates. Impairment loss allowance recognized during the year is charged to Statement of profit and loss.

**De-recognition:**

A financial asset is de-recognized when:

- (i) Contractual right to receive cash flows from such financial asset expires;
- (ii) Company transfers the contractual right to receive cash flows from the financial asset; or
- (iii) Company retains the right to receive the contractual cash flows from the financial asset, but assumes a contractual obligation to pay such cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards associated with the ownership of the financial asset. In such cases, the financial asset is de-recognized. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

Where the Company has neither transferred nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company does not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in such financial asset.

**B) Financial Liabilities**

**Classification & Measurement**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

**De-recognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



**Notes to the Financial Statements as at and for the year ended 31st March 2019**

**C) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**D) Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Impairment loss is charged to the Statement of Profit & Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in the prior accounting periods is reversed if there has been change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised.

**(d) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowings are derecognized from the standalone balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in standalone statement of profit and loss as other gains or (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**(e) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get itself ready for the intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

**Notes to the Financial Statements as at and for the year ended 31st March 2019**

**(f) Inventories**

Raw materials, packing materials, work-in-progress, stores and spares, finished goods and stock-in-trade are valued at lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

Cost of inventories comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from the tax authorities), cost of conversion and all other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. In determining the cost of manufactured finished goods and work-in-progress an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and conditions are considered. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Adequate allowance is made for obsolete and slow moving items. Refer Note No. 8 to financial statements.

**(g) Cash and cash equivalents**

Cash and cash equivalents comprise of cash-on-hand and short term demand deposits with banks. The Company considers it's highly liquid, short-term investments (having maturity less than three months) which can be readily converted to fixed/determinable amount of money and subject to insignificant risks arising from changes in their fair values, as cash equivalents. Refer Note No. 10 & 11 to Financial Statements.

**(h) Foreign currency transactions**

**Transactions and balances:**

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the exchange rates prevailing on the balance sheet dates are recognized in the standalone statement of profit and loss.

**(i) Employee benefits expense**

**(i) Short term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**(ii) Post-retirement benefits**

Post-retirement benefits to employees can either be through defined contribution plans or defined benefit plans. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and pension schemes. The Company recognizes

# KRYPTON INDUSTRIES LIMITED

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## Notes to the Financial Statements as at and for the year ended 31st March 2019

contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company operates a Defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and (ii) Net interest expense or income

The current and non-current bifurcation is done as per Actuarial report. Refer Notes 20, 27, 32 & 46 to Financial Statements.

### (j) Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease which transfers substantially all risks and rewards incidental to the ownership of the leased asset is classified as a finance lease. All other lease arrangements are classified as operating leases.

### (k) Provisions, contingeniabilities and contingent assets

#### Provisions:

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of such obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the Balance Sheet date. Refer Note No. 20 & 27 to Financial Statements.

**Contingent liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Refer Note No. 40 to financial statements.

**Contingent assets:** Contingent assets are not recognized in the financial statement. However when there is a virtual certainty that an inflow of resources embodying economic benefits will arise from the contingent asset, such asset and the related income is recognized in the period in which the changes occurred.

### (l) Income tax

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rates with adjustments for changes in deferred tax assets or liabilities attributable to temporary differences and unused tax losses or credits.

**Notes to the Financial Statements as at and for the year ended 31st March 2019**

Current tax is calculated based on tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognized on temporary differences arising from the tax bases of assets and liabilities and their respective carrying amounts in the financial statements at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet Date.

Deferred Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized Deferred tax Assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

For items recognized in OCI or equity, deferred/current tax is also recognized in OCI or equity.

Minimum alternate tax ("MAT") credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the standalone statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Current tax assets and tax liabilities are offsetted where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

**(m) Segment reporting**

As per Ind AS 108: Operating Segments, the Company has identified the following operating segments:

- (i) Tyre, Rims & Wheel
- (ii) Footwear
- (iii) Hospital Equipments

**(n) Events after reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

**(o) Earnings per share**

Basic earnings per share is computed by dividing the net profit or loss before OCI for the period by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events that have changed the number of outstanding equity shares, without a corresponding change

**Notes to the Financial Statements as at and for the year ended 31st March 2019**

in the resources. For the purpose of calculating diluted earnings per equity share, net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares. As on the balance sheet dates, the Company has no dilutive potential equity shares.

**(p) Accounting Standards Issued but not yet Effective**

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new standards/amendments to the existing standards, which the Company has not applied as they are effective from April 1, 2019:

**i. Ind AS 116 - Leases**

Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17- Leases.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, prospectively. The Company is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the new standard. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

**ii. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments**

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

**iii. Ind AS 19 - Plan Amendment, Curtailment or Settlement**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

**2. Property, Plant and Equipment**

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

	Cost		Accumulated Depreciation		Net Carrying Amount	
	31/03/2019 (₹ Thousands)	31/03/2018 (₹ Thousands)	31/03/2019 (₹ Thousands)	31/03/2018 (₹ Thousands)	31/03/2019 (₹ Thousands)	31/03/2018 (₹ Thousands)
Freehold Land	14,392.03	14,392.03	-	-	14,392.03	14,392.03
Buildings	84,361.79	84,080.17	10,742.75	7,153.21	73,619.04	76,926.96
Plant and Machinery	94,577.39	90,486.78	30,318.05	20,147.28	64,259.34	70,339.50
Furniture and Fixtures	4,808.68	4,808.68	2,002.78	1,384.63	2,805.90	3,424.05
Electrical Installation	7,719.86	7,496.72	2,942.22	2,283.42	4,777.64	5,213.30
Office Equipment	1,345.00	1,032.17	465.95	313.84	879.05	718.33
Computers	221.45	221.45	131.88	119.04	89.57	102.41
Vehicles	7,970.46	5,699.70	3,076.51	2,357.30	4,893.95	3,342.40
	<b>215,396.66</b>	208,217.70	<b>49,680.14</b>	33,758.72	<b>165,716.52</b>	174,458.98

# KRYPTON INDUSTRIES LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2019

(a) Reconciliation of the gross and net carrying amounts of assets at the beginning and year ending 31/03/2019 are as under:

<b>Cost</b>	<b>As at 31/03/2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>As at 31/03/2019</b>
	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)
Freehold Land	14,392.03	-	-	<b>14,392.03</b>
Buildings	84,080.17	<b>281.62</b>	-	<b>84,361.79</b>
Plant and Machinery	90,486.78	<b>4,090.61</b>	-	<b>94,577.39</b>
Furniture and Fixtures	4,808.68	-	-	<b>4,808.68</b>
Electrical Installation	7,496.72	<b>223.14</b>	-	<b>7,719.86</b>
Office Equipment	1,032.17	<b>312.83</b>	-	<b>1,345.00</b>
Computers	221.45	-	-	<b>221.45</b>
Vehicles	5,699.70	<b>2,270.76</b>	-	<b>7,970.46</b>
	<u>208,217.70</u>	<u>7,178.96</u>	-	<u>215,396.66</u>
Previous Year	206,094.90	2,122.80	-	208,217.70

### Accumulated Depreciation

	<b>As at 31/03/2018</b>	<b>Additions</b>	<b>Deductions/ Other Adjustments</b>	<b>As at 31/03/2019</b>
	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)
Freehold Land	-	-	-	-
Buildings	7,153.21	<b>3,589.54</b>	-	<b>10,742.75</b>
Plant and Machinery	20,147.28	<b>10,170.77</b>	-	<b>30,318.05</b>
Furniture and Fixtures	1,384.63	<b>618.15</b>	-	<b>2,002.78</b>
Electrical Installation	2,283.42	<b>658.80</b>	-	<b>2,942.22</b>
Office Equipment	313.84	<b>152.11</b>	-	<b>465.95</b>
Computers	119.04	<b>12.84</b>	-	<b>131.88</b>
Vehicles	2,357.30	<b>719.21</b>	-	<b>3,076.51</b>
	<u>33,758.72</u>	<u>15,921.42</u>	-	<u>49,680.14</u>
Previous Year	17,059.53	16,699.18	-	33,758.71

### 3. Capital Work-in-Progress

#### Capital WIP

Plant & Machinery

<b>As at 31/03/2019</b>	<b>As at 31/03/2018</b>
(₹ in Thousands)	(₹ in Thousands)
<u>2,065.68</u>	<u>2,027.68</u>
<b>2,065.68</b>	<b>2,027.68</b>

# KRYPTON INDUSTRIES LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2019

4. <u>Investments</u>	As at 31/03/2019 (₹ in Thousands)	As at 31/03/2018 (₹ in Thousands)
Investments in Equity Instruments (Unquoted) (a)	202.00	202.00
Gold Coins (Designated at Fair Value through Profit & Loss)	426.61	414.18
Sovereign Gold Bond (Designated at Fair Value through Profit & Loss)	99.25	-
	<u>727.86</u>	<u>616.18</u>

**Note:** i) As at the Balance Sheet date, none of the investments in equity instrument have been impaired.

(a) **Disclosure with regard to investments in bodies corporate are given below:**

	Face Value per Unit (in ₹)	As at 31/03/2019 Numbers	As at 31/03/2019 (₹ Thousands)	As at 31/03/2018 Numbers	As at 31/03/2018 (₹ Thousands)
<b>i. Other Investments</b>					
<b>Investments in Equity Instruments (Unquoted)- (Measured at Cost)</b>					
Krypton Developers Limited	Others	10	9,400	9,400.00	94.00
I Care International Private Limited	Others	10	10,800	10,800	108.00
			<u>20,200</u>	<u>20,200</u>	<u>202.00</u>

5. <u>Long Term Loans (At Amortised Cost)</u>	As at 31/03/2019 (₹ in Thousands)	As at 31/03/2018 (₹ in Thousands)
<b>Long Term Loans</b>		
Loans to Others	10,060.08	10,649.78
Unsecured, Considered Good		-
	<u>10,060.08</u>	<u>10,649.78</u>

6. <u>Other Financial Assets</u>	As at 31/03/2019 (₹ in Thousands)	As at 31/03/2018 (₹ in Thousands)
Security Deposits	1,728.26	1,441.76
Unsecured, Considered Good		-
Loans/ Advances to Others	1,465.87	2,393.93
	<u>3,194.13</u>	<u>3,835.69</u>

7. <u>Non-Current Tax Assets</u>	As at 31/03/2019 (₹ in Thousands)	As at 31/03/2018 (₹ in Thousands)
Income Tax Deducted at Source	2,554.68	3,185.86
Unsecured, Considered Good		
Duties & Taxes	1,056.87	-
Advance Tax	-	-
	<u>3,611.55</u>	<u>3,185.86</u>



# KRYPTON INDUSTRIES LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2019

8. <u>Inventories</u>	As at 31/03/2019 (₹ in Thousands)	As at 31/03/2018 (₹ in Thousands)
Raw Materials	48,004.02	52,344.35
Work -in- Progress	17,532.00	16,388.30
Consumable stores	1,449.96	1,698.27
Finished Goods	80138.22	76934.14
Stock -in -Trade	448.30	1,331.10
Stores & Spares	11,758.93	10,807.03
Upper (Produced Raw Material)	13,508.03	14,466.57
Packing Materials	642.16	1,062.25
	<u>173,481.62</u>	<u>175,032.01</u>

Note: Inventories are pledged against the borrowings obtained by the company as referred in Note no. 22

9. <u>Trade Receivables (at Amortised Cost)</u>	As at 31/03/2019 (₹ in Thousands)	As at 31/03/2018 (₹ in Thousands)
Considered Good	59,244.16	68,331.87
Considered Doubtful	1,177.26	2,053.16
	<u>60,421.42</u>	<u>70,385.03</u>
Less: Allowances for doubtful Debts	1177.26	2053.16
<b>TOTAL</b>	<u>59,244.16</u>	<u>68,331.87</u>

Note: Trade Receivables are pledged against the borrowings obtained by the company as referred in Note no. 22

10. <u>Cash &amp; Cash Equivalent</u>	As at 31/03/2019 (₹ in Thousands)	As at 31/03/2018 (₹ in Thousands)
<b>Cash and Cash Equivalents:</b>		
Cash on hand	2,669.04	1,274.72
Balance with Bank		-
Current A/c	<u>5980.57</u>	<u>1337.86</u>
	<u>8,649.61</u>	<u>2,612.58</u>

11. <u>Bank Balances other than cash &amp; cash Equivalent</u>	As at 31/03/2019 (₹ in Thousands)	As at 31/03/2018 (₹ in Thousands)
<b>Bank Balances</b>		
Fixed Deposits maturing within 12 months	<u>8,774.08</u>	<u>10,331.24</u>
	<u>8,774.08</u>	<u>10,331.24</u>

12. <u>Short term Loans (at Amortised Cost)</u>	As at 31/03/2019 (₹ in Thousands)	As at 31/03/2018 (₹ in Thousands)
Loans to Others	<u>4,151.47</u>	<u>5,740.69</u>
	<u>4,151.47</u>	<u>5,740.69</u>

# KRYPTON INDUSTRIES LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2019

13. <u>Other Financial Assets (at Amortised Cost)</u>	As at 31/03/2019 (₹ in Thousands)	As at 31/03/2018 (₹ in Thousands)
Deposit against Tender	-	200.00
Security Deposits	126.00	-
Unsecured, Considered Good Loans/ Advances to Others	1,512.20	-
	<u>1,638.20</u>	<u>200.00</u>

14. <u>Current Tax Assets</u>	As at 31/03/2019 (₹ in Thousands)	As at 31/03/2018 (₹ in Thousands)
Excise Duty	103.52	20.87
Custom Duty	603.72	1,207.03
VAT & CST	2485.71	2487.17
GST	22,791.95	17,970.16
TDS Receivable	1,165.19	-
	<u>27,150.09</u>	<u>21,685.23</u>

**Note:** Balances with government authorities primarily include amounts realisable from goods and services tax, state excise authorities and transitional credit carried forward under the goods and services tax regime. These are expected to be realised within a period of one-year, by off-setting the same against the output goods and services tax liability on goods supplied by the Company. Accordingly these balances have been classified as current assets.

15. <u>Other Current Assets</u>	As at 31/03/2019 (₹ in Thousands)	As at 31/03/2018 (₹ in Thousands)
Advances to Suppliers	4,048.86	399.71
Advances against Wages	3332.67	742.00
Prepaid Insurance/ Expenses	1,043.59	346.48
Others	59.40	59.40
	<u>8,484.52</u>	<u>1,547.59</u>

16. <u>Equity Share Capital</u>	As at 31/03/2019 (₹ in Thousands)	As at 31/03/2018 (₹ in Thousands)
<b>Authorized Share Capital:</b> 2,16,00,000 (Previous year 2,16,00,000) Equity Shares of Rs. 10 each.	<u>216,000.00</u>	<u>216,000.00</u>
<b>Issued, Subscribed and Paid-up:</b> 1,46,97,130 (Previous year 1,46,97,130) Equity Shares of Rs. 10 each fully paid-up	<u>146,971.30</u>	<u>146,971.30</u>

# KRYPTON INDUSTRIES LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2019

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

Particulars	2018-19		2017-18	
	Numbers	(₹ Thousands)	Numbers	(₹ Thousands)
Equity Shares outstanding at the beginning of the year	14,697,130	146,971.30	14,697,130	146,971.30
Add: Equity Shares Issued during the year	-	-	-	-
Less: Equity Shares bought back/ redeemed during the year	-	-	-	-
Equity Shares outstanding at the end of the year	14,697,130	146,971.30	14,697,130	146,971

### 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 the ensuing Annual General Meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive the 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 31/03/2019		As at 31/03/2018	
	Numbers of Shares held	Numbers of Shares held	Numbers of Shares held	Numbers of Shares held
Jay Singh Bardia	1,542,208	10.49%	1,538,550	10.47%
Panna Lal Bardia	1,609,944	10.95%	1,584,944	10.78%

Note: Shareholding of Panna Lal Bardia includes holding of Hulashchand Tarachand Bardia (HUF) in which Panna Lal Bardia is Karta

### D. No additional shares were allotted as a fully paid up by way of Bonus shares or pursuant to contract without payment being received in cash during the last five years. Further, none of the shares were bought back by the company during last five years.

17. Other Equity	As at	As at
	31/03/2019	31/03/2018
	(₹ in Thousands)	(₹ in Thousands)
General Reserve	5,707.51	5,707.51
Securities Premium Account	36,553.40	36,553.40
<b>Retained Earnings</b>		
Opening Balance	69,160.48	69,564.30
Add: Profit/(loss) for the year	9,310.42	(407.87)
Add: adjustments due to transition to Ind AS	-	-
Add: Other Adjustments	3214.52	4.05
<b>Net Retained Earnings</b>	<b>81,685.42</b>	<b>69,160.48</b>
<b>Other Comprehensive Income</b>		
Balances at the beginning	(596.74)	(780.71)
Add: Remeasurement of defined benefits plans (net of Tax)	54.63	183.97
<b>Net other comprehensive Income</b>	<b>(542.11)</b>	<b>(596.74)</b>
	<b>123,404.22</b>	<b>110,824.65</b>

**Notes to the Financial Statements as at and for the year ended 31st March 2019**

**Nature and purpose of reserves:**

**General Reserve**

General Reserve has been created out of profits earned by the Company in the previous years. General reserves are free reserves and can be utilised in accordance with the requirements of the Companies Act, 2013.

**Securities Premium**

Securities Premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of Section 52 of the Companies Act, 2013

**Retained Earnings**

Retained Earnings are the profits that the Company has earned till date, less any transfer to general reserves, dividends and other distributions made to the shareholders.

**Other Comprehensive Income (OCI)**

OCI reserve includes the net gain/loss on fair value of Investments and remeasurements of defined benefits plans.

<b>18. Other Financial Liabilities (At Amortised Cost)</b>	<b>As at 31/03/2019 (₹ in Thousands)</b>	<b>As at 31/03/2018 (₹ in Thousands)</b>
Security Deposits received	-	400.00
	-	400.00

<b>19. Borrowings (At Amortised Cost)</b>	<b>Non-Current Maturities As at</b>		<b>Current Maturities As at</b>	
	<b>31/03/2019 (₹ Thousands)</b>	<b>31/03/2018 (₹ Thousands)</b>	<b>31/03/2019 (₹ Thousands)</b>	<b>31/03/2018 (₹ Thousands)</b>
<b>Term Loans:</b>				
From Banks (Secured)	-	667.13	<b>674.60</b>	2,700.00
From Related Parties (Unsecured) (Refer Note No. 43)	-	6,468.30	<b>6,468.30</b>	-
From Other Parties (Unsecured)	<b>12,946.62</b>	15,527.18	<b>2,869.76</b>	7,106.01
<b>Car Loan (Secured)</b>	<b>1,197.08</b>	-	<b>631.56</b>	278.31
	<b>14,143.70</b>	22,662.61	<b>10,644.22</b>	10,084.32
The above amount includes				
Secured Borrowings	<b>1,197.08</b>	667.13	<b>1,306.16</b>	2,978.31
Unsecured Borrowings	<b>12,946.62</b>	21,995.48	<b>9,338.06</b>	7,106.01
Amount disclosed under the head Other Financial Liabilities "(Note 24)"	-	-	<b>(10,644.22)</b>	(10,084.32)
<b>Net Amount</b>	<b>14,143.70</b>	<b>22,662.61</b>	-	-

- A. Car Loan from Yes Bank Ltd. was taken during the FY 2018-19, the loan is repayable in 37 installment of ₹ 30,903/- inclusive of interest from the date of loan. The Car loan is secured by hypothecation of Hyundai Creta.
- B. The Car Loan from ICICI Bank was taken during the Financial Period 2018-19, carries interest @ 9.05%. The loan is repayable in 36 EMIs of ₹ 33481/-. The loan is secured by hypothecation of the car Honda City.
- C. The Term Loan from The Federal Bank Ltd. was sanctioned during the Financial Year 2013-14 and carries floating interest @ base rate + 3.50% p.a. with monthly rests (as per Sanction Letter dated 15.10.2013) with a Limit of ₹ 135 Lakhs. The loan is repayable monthly from July, 2014 bearing Principal Amount of ₹ 2.25 Lakhs along with interest. The term loan is secured by the Exclusive Equitable Mortgage over the entire industrial Property at Mouza - Sankua, P.S. - Ramnagar, 24 Parganas (South), Khorda, Falta P.Z. Road, J.L. No. 59 & 41, Dag No. 439, 440 & 441, including Land and Civil Structure constructed thereon, and hypothecation of Machineries procured or to be procured out of the Term Loan. Further, the loans are secured by the personal guarantee of Mr. J.S Bardia, the Managing Director of the company.

# KRYPTON INDUSTRIES LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2019

	As at 31/03/2019 (₹ in Thousands)	As at 31/03/2018 (₹ in Thousands)
<b>20. Long Term Provisions</b>		
Provision for Gratuity	4,368.93	8,513.99
	<u>4,368.93</u>	<u>8,513.99</u>
<b>21. Deferred Tax Liabilities</b>		
<b>Deferred Tax Liabilities</b>		
Opening Balance	14,730.95	15,485.95
Related to Fixed Assets and Amortization Expenses	(200.17)	(833.00)
Adjustments due to adoption of IND AS		
Deferred Tax Liabilities on OCI	<u>19.20</u>	<u>78.00</u>
	<u>14,549.98</u>	<u>14,730.95</u>
Un-utilized MAT Credit	<u>(5,094.88)</u>	<u>(5,094.88)</u>
<b>Deferred Tax Liabilities (Net)</b>	<u>9,455.10</u>	<u>9,636.07</u>
<b>22. Current Liabilities : Borrowings (At Amortised Cost)</b>		
	As at 31/03/2019 (₹ in Thousands)	As at 31/03/2018 (₹ in Thousands)
Cash Credit (Secured)	80,747.66	76,632.79
Packing Credit (Secured)	38,086.53	30,610.00
Foreign Bills Purchased	-	-
Buyer's Credit balances	<u>2,045.26</u>	<u>12,821.66</u>
	<u>120,879.45</u>	<u>120,064.45</u>
A.	The Packing Credit from Bank of Baroda has been reviewed during the financial year 2018-19 and carries floating interest @ 1 Year MCLR+Strategic Premium+1.25 % p.a. with monthly rests subject to Limit of ₹ 400 Lacs. The loan is secured by hypothecation of both present and future stock of Raw material, Work in progress, Finished goods, Stores and spares, Lodgement of Letter of Credit/Company Order, WTPCG of ECGC, Equitable Mortgage of Land and Building/Factory Shed. Further, the loans are secured by personal guarantee of Mr J.S Bardia, the Managing Director of the company and Mr. T. S. Gulgulia. (As per sanction letter dated November 2018).	
B.	The Cash credit from Bank of Baroda was renewed during the financial year 2018-19 and carries interest rate of MCLR+ Strategic Premium+ 2.40 % at a floating rate with monthly rests. The loan is repayable as per term each along with interest, from the date of loan. This loan is secured by Hypothecation of stocks of Raw Material, W.I.P, Finished Goods and Spares of the co., D.P. Note, Letter of Continuing Security, Hypothecation of Book Debts upto 90 days These loans are further secured by Equitable Mortgage of Leasehold Land at Falta and structure standing thereon in the name of the company together with Plant and Machinery thereon, lien on FDR, assignment of Keymen LIP. The loan is further secured by the personal guarantee of Mr J.S Bardia, the Managing Director of the company and Mr. T. S. Gulgulia. (As per sanction letter dated November 2018)	
C.	The cash credit from The Federal Bank Ltd. was sanctioned during the financial year 2017-18 and carries floating interest @ MCLR + 3.20% p.a. with monthly rests (as per Sanction Letter dated 16.10.2017) with a Limit of ` 230 Lacs. The loan is repayable as per term each along with interest from the date of loan. The cash credit is secured by 1st pari passu charge on the entire current assets of the company, both present and future, with Bank of Baroda under Multiple Banking Arrangement, including Hypothecation of Stock at 50% Margin and Book Debts at 25% Margin. The Cash Credit is further secured by Collateral of Extension of Exclusive Equitable Mortgage over the entire Industrial Property at Mouza - Sankua, P.S. - Ramnagar, 24 Parganas (South), Khorda, Falta P.Z Road, J.L. No. 59 & 41. Dag No. 439, 440 and 441 which is already charged as primary security for the Term Loan. Further, the loans are secured by personal guarantee of Mr. J.S Bardia, the Managing Director of the company.	

# KRYPTON INDUSTRIES LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2019

	As at 31/03/2019 (₹ in Thousands)	As at 31/03/2018 (₹ in Thousands)
<b>23. Trade Payables (At Amortised Cost)</b>		
Payable to Micro, Small and Medium Enterprise (Refer Note No. 50)	201.97	-
Trade Payables (other than SMEs)	23,391.83	30,798.76
	23,593.80	30,798.76
<b>24. Other Financial Liabilities (At Amortised Cost)</b>		
Current Maturities of Borrowings	10,644.22	10084.32
Security Deposit Payables	400.00	
For Wages & salaries	2806.14	2508.74
For Other Expenses	8984.57	10319.94
Provision for Audit Fees	225.00	225.00
	23,059.93	23,138.00
<b>25. Other Current Liabilities</b>		
Customers' credit balances	7132.06	3987.41
Statutory dues Payables		
ESIC & PF Payable	683.30	638.35
Professional Tax Payable	15.87	12.67
Other liabilities	4.9	206
Advances		-
	7,836.13	4,844.43
<b>26. Current Tax Liabilities (Net)</b>		
TDS	307.72	376.71
Duties & taxes	1,142.23	1,234.45
	1,449.95	1,611.16
<b>27. Current Provisions</b>		
Provision for Gratuity	567.66	789.96
Provision for Discount	1,219.40	-
	1,787.06	789.96

**Note:** Above provision for Discount include the provision made with respect to the estimated incentive to be provided to the customers for the current financial year and the actual reimbursement will be made in the subsequent year.

**Detailed summary of the Provisions :**

	<b>Provision for Discount</b>
Opening balances as on 01.04.2018	-
Add: Addition during the year	1219.40
Less: Adjusted amount during the year	-
<b>Closing balance as on 31.03.2019</b>	<b>1219.40</b>

# KRYPTON INDUSTRIES LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2019

<b>28. Revenue from Operations:</b>	<b>As at 31/03/2019</b>	<b>As at 31/03/2018</b>
	<b>(₹ in Thousands)</b>	<b>(₹ in Thousands)</b>
<b>Sale of Products</b>		
M.C.P. Tyres & Armrest - Overseas	64,159.78	60,155.08
M.C.P. Tyres & Armrest - Exports	12,472.32	10,140.81
M.C.P. Tyres & Armrest - Domestic	103,558.10	93,643.39
Bedding & furnishing	1,687.26	518.97
P.U. Shoe Sole - Domestic	23,196.96	21,932.92
P.U. Sandles - Domestic	383.73	1,395.20
Other Footwears	267.54	10,068.87
Hospital Equipments - Domestic	355.33	1,176.82
Wheel Chair - Domestic	108,034.94	50,231.74
Crutch and Walking Aids - Domestic	3,487.78	5,512.61
Spares - Domestic	4,929.66	5,047.71
Commode Chairs - Domestic	-	6,040.81
<b>Sale of Services</b>		
Job Work charges	36,189.77	26,297.33
<b>Other Operating Revenues</b>		
Other Operating Income	2,691.00	1,449.00
Scrap Sales	342.34	-
<b>Gross Revenue from Operations</b>	<b>361,756.51</b>	<b>293,611.26</b>

**Note:** (i) Sales are net of price adjustments settled during the year by the Company and discounts, trade incentives, VAT, Sales Tax, GST etc.

(ii) Sale of goods includes excise duty collected from customers of Rs. NIL (PY 427.99)

(iii) Post the applicability of Goods and Service Tax (GST) with effect from July 1, 2017, revenue from operations are disclosed net of GST. Accordingly the revenue from operations for year ended March 31, 2019 are not comparable with the previous years figure.

<b>29. Other Income:</b>	<b>As at 31/03/2019</b>	<b>As at 31/03/2018</b>
	<b>(₹ in Thousands)</b>	<b>(₹ in Thousands)</b>
Sundry balance written off	-	0.40
Discount Received	0.40	32.85
Interest Income on Bank Deposits	872.55	524.11
Interest Income on Loan & Others	950.64	1,177.85
Gain/Loss on Sale of Duty Scripts	(63.68)	-
(Gain)/ Loss on foreign currency transactions and translation (Note 41)	243.73	914.55
Rent Received	-	494.00
Other Non-Operating Income	-	3,201.07
Fair Valuation of Gold through P/L	13.01	19.31
MEIS Scheme	1,882.60	1,254.89
Tax Credit (Trans-1)	-	2,737.95
Service Tax Refund	-	45.18
	<b>3,899.25</b>	<b>10,402.16</b>

<b>30. Cost of Materials Consumed:</b>	<b>As at 31/03/2019</b>	<b>As at 31/03/2018</b>
	<b>(₹ in Thousands)</b>	<b>(₹ in Thousands)</b>
Raw Material		
Opening Stock	52,344.35	62,100.24
Add: Purchased	166,007.38	125,739.84
	<b>218,351.73</b>	<b>187,840.08</b>
Less : Cost of Material Sold	-	-
	<b>218,351.73</b>	<b>187,840.08</b>
Less: Closing stock	48,004.02	52,344.35
	<b>170,347.71</b>	<b>135,495.73</b>

# KRYPTON INDUSTRIES LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2019

	<b>Year ended 31/03/2019</b>	<b>Year ended 31/03/2018</b>
	<b>(₹ in Thousands)</b>	<b>(₹ in Thousands)</b>
<b>31. <u>Changes in Inventories:</u></b>		
<b>Opening Inventories</b>		
Finished Goods	76,934.14	73,120.16
Stock-in-Trade	1,331.10	1,597.19
Work -in- progress	16,388.30	17,352.81
Upper (Produced Raw Materials)	14,466.57	15,024.18
(A)	<u>109,120.11</u>	<u>107,094.34</u>
<b>Less: Closing Inventories</b>		
Finished Goods	80,138.22	76,934.14
Stock-in-Trade	448.30	1,331.10
Work -in- progress	17,532.00	16,388.30
Upper (Produced Raw Materials)	13,508.03	14,466.57
(B)	<u>111,626.55</u>	<u>109,120.11</u>
<b>Changes in Inventories (A-B)</b>	<u>(2,506.44)</u>	<u>(2,025.77)</u>
<b>32. <u>Employee Benefits Expenses:</u></b>		
Salaries and Wages	61,654.83	53,157.53
Contribution to Provident and other Funds	3,865.31	3,895.66
Employee Welfare	2,374.85	1,744.25
Gratuity	892.60	614.84
	<u>68,787.59</u>	<u>59,412.28</u>
<b>33. <u>Power and Fuel:</u></b>		
Power and Fuel	10,944.88	10,174.44
	<u>10,944.88</u>	<u>10,174.44</u>
<b>34. <u>Finance Costs:</u></b>		
Interest Expenses	13,770.56	18,082.04
Other Borrowing Cost	1,212.95	1,085.43
	<u>14,983.51</u>	<u>19,167.47</u>
<b>35. <u>Depreciation and Amortization Expenses:</u></b>		
Depreciation and Amortization Expenses	15,921.42	16,699.18
	<u>15,921.42</u>	<u>16,699.18</u>



# KRYPTON INDUSTRIES LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2019

36. <u>Other Expenses:</u>	Year ended 31/03/2019 (₹ in Thousands)	Year ended 31/03/2018 (₹ in Thousands)
Advertisement	76.09	53.69
AMC Charges	70.57	22.34
Consumption of Stores and Spares	33,650.07	20,001.17
Job Work	5,230.26	4,814.94
Repairs to Buildings	9.55	15.76
Repairs to Machinery	10.80	802.72
Other Repairs & Maintenance	991.53	568.05
Rates and Taxes	963.23	770.64
Rent	3,204.03	2,881.73
Insurance	1,120.03	436.94
Auditors' Remuneration - (a)	250.00	250.00
Delivery Charges	8.98	15.21
Freight and Forwarding Expenses (Net)	9,890.38	9,069.12
(Gain)/ Loss on foreign currency transactions and translation (Note 41)	676.06	-
Travelling and Conveyance Expenses	2,278.69	3,091.17
Bank Charges	2,218.21	1,628.89
Managerial Remuneration & Director sitting fees	3,010.00	3,009.00
Staff Welfare	32.78	105.00
Interest on late payment of CST/Tax	135.04	61.36
Printing and Stationery	266.92	265.16
Security Charges	1,124.98	797.04
Telephone, Telegram and Postage	330.10	605.52
Petrol	741.38	362.22
Vehicle Running and Maintenance Expenses	433.37	482.00
Sales Promotion Expenses	3,258.48	1,799.54
Commission and Brokerage	1,275.12	1,178.91
Professional Fees	1,717.42	1,434.11
Sundry Balance Written off	(826.14)	(83.80)
Miscellaneous Expenses	795.46	1,099.01
Discount Allowed (Net)	478.61	1,023.94
Custom Duty	-	865.26
Postage & Telegram	240.05	435.34
Donation & Subscription	197.63	219.88
Annual Incentive to customers	-	2875.68
Processing Charges	-	280.86
AGM Expenses	204.77	226.56
Allowances for Bad Debts	1,151.27	480.70
Listing Fees	295.00	-
	<u>75,510.72</u>	<u>61,945.66</u>
<b>(a) Details of Auditors' Remuneration are as follows:</b>		
<b>Statutory Auditors:</b>		
Audit Fees	200.00	200.00
Taxation matters	50.00	50.00
	<u>250.00</u>	<u>250.00</u>

**Note:** Rent includes rent towards rental office premises and godowns located at Falta, Special Economic Zone.

# KRYPTON INDUSTRIES LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2019

	Year ended 31/03/2019	Year ended 31/03/2018
	(₹ in Thousands)	(₹ in Thousands)
<b>37. Tax Expenses</b>		
<b>Current Tax</b>		
Current Tax for the year	-	-
Tax adjustments for earlier years	-	-
	-	-
<b>Deferred Tax</b>		
Deferred Tax for the year	(200.17)	(833.00)
	(200.17)	(833.00)
Deferred Tax on OCI	19.20	78.00
	19.20	78.00
<b>38. Earning per Equity Share (EPS)</b>	<b>As at 31/03/2019</b>	<b>As at 31/03/2018</b>
	(₹ in Thousands)	(₹ in Thousands)
Net Profit/ (loss) after Tax as per Statement of Profit & Loss Account	9310.42	(407.87)
Weighted average number of Equity shares (Numbers)	14,697,130.00	14,697,130.00
Basic & diluted earnings per Share (in Rs.)	0.63	(0.03)

### 39. Lease

#### (a) Financial Lease

The Company has not entered into any Financial Lease during the year under review.

#### (b) Operating Lease

The Company has not entered into cancellable operating lease arrangement for its Stores and office premises.

	As at 31/03/2019	As at 31/03/2018
	(₹ in Thousands)	(₹ in Thousands)
<b>40. Contingent Liabilities and Commitments:</b>		
<b>Contingent Liabilities</b>		
(a) Bank Guarantees given for WBSEB and superintending Engineering	4,528.30	4,528.30
(b) Income Tax Demands	2,036.03	1,433.51
(c) Sales Tax Demands	3,159.11	5,014.93
(d) Other money for which the Company is contingently liable:		
i. Export Bills discounted with bank	-	-
ii. Letter of credit	15,460.39	10,845.08

**Note:** The above Tax matters are lying at various appellate forums and the management is confident of succeeding in all these matters based on legal precedences and expert opinions.

# KRYPTON INDUSTRIES LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2019

41. <u>Gain or loss on foreign currency transaction and translation:</u>	Year ended	Year ended
	31/03/2019	31/03/2018
	(₹ in Thousands)	(₹ in Thousands)
Loss on foreign currency transactions and translation	<b>2,375.06</b>	1,318.32
Gain on foreign currency transactions and translation	<b>1,943.27</b>	2,232.87
(Gain)/ Loss on foreign currency transactions and translation (Net)	<b>432.33</b>	(914.55)

## 42. Segment Reporting:

### A. Primary Segment Reporting (by Business Segment):

- (a) The Company has three reportable segments viz. Tyre,Rim and Wheels, Footwear and Hospital Equipments which have been identified in line with IND AS-108 on Segment Reporting, taking into account the organizational structure as well as differential risk and return of these segments. Details of products included in each segments are as under:
- (b) Inter-segment transfers are based on market rates.
- (c) The details of the revenue, results, assets, liabilities and other information from operations by reportable business segments are as follows:

	Year ended 31/03/2019				Year ended 31/03/2018			
	Tyre, Rim & Wheel	Footwear	Hospital Equipments	Total	Tyre Rim & Wheel	Footwear	Hospital Equipments	Total
	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)
<b>REVENUE</b>								
Total	321,562.55	69,583.60	112,641.16	503,787.31	232,601.55	62,190.91	68,044.46	362,836.92
Inter Segment				(142,030.80)				(69,225.65)
Excise Duty								
External				<u>361,756.51</u>				<u>293,611.27</u>
<b>RESULTS</b>								
Segment Results	15,940.84	7,460.13	692.79	24,093.76	16,411.18	2,613.27	(1,097.86)	17,926.59
Unallocated Corporate Income				-				-
Unallocated corporate Expenses				-				-
Finance Costs				(14,983.51)				(19,167.47)
Tax Expenses				200.17				833.00
Profit for the year				<u>9,310.42</u>				<u>(407.88)</u>
<b>OTHER INFORMATION</b>								
<b>Assets:</b>								
Segment Assets	273,077.27	152,470.62	51,401.68	476,949.57	260,291.02	153,910.29	66,054.07	480,255.38
Unallocated Corporate Assets								
Total Assets				<u>476,949.57</u>				<u>480,255.38</u>
<b>Liabilities:</b>								
Segment Liabilities	137,043.42	51,065.93	9,009.61	197,118.95	149,833.33	54,127.11	8,862.92	212,823.36
Unallocated Corporate Liabilities				9,455.10				9,636.07
Total Liabilities				<u>206,574.05</u>				<u>222,459.43</u>
Capital Expenditure	3,887.68	2,804.27	487.01	7,178.96	509.00	1,083.33	530.46	2,122.79
Depreciation and								
Amortization	9,154.86	4,635.83	2,130.73	15,921.42	9,654.14	4,663.41	2,381.64	16,699.18

**Notes to the Financial Statements as at and for the year ended 31st March 2019**

**B. Secondary Segment Reporting (by Geographical demarcation):**

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

	Year ended 31/03/2019				Year ended 31/03/2018			
	India	Overseas	Export SEZ	Total	India	Overseas	SEZ	Total
	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)	(₹Thousands)
<b>Revenue</b>	<b>285,124.41</b>	<b>64,159.78</b>	<b>12,472.32</b>	<b>361,756.51</b>	<b>223,315.37</b>	<b>60,155.08</b>	<b>10,140.81</b>	<b>293,611.26</b>

(The above Revenue figures are inclusive of Excise Duty.)

**43 Related Party Disclosures:**

**A. List of Related Parties:**

**(i). Key Managerial Personnel:**

- |                            |  |
|----------------------------|--|
| a) Managing Director       | Sri Jay Singh Bardia*  |
| b) Non Executive Directors | i) Sri T.C.Bachhawat<br>ii) Sri Pradeep Kumar Singh<br>iii) Sri Ravi Prakash Pincha<br>iv) Smt Vimala Devi Bardia ** |
| c) Chief Executive Officer | Sri P. L. Bardia ***   |
| d) Chief Financial Officer | CA Vinay Sipani  |
| e) Company Secretary       | CS Arti Baid   |

\* Sri Jay Singh Bardia is related to Smt Vimala Devi Bardia, Non-Executive Director and Sri P.L. Bardia, Chief Executive Officer of the Company.

\*\* Smt Vimala Devi Bardia is related to Sri Jay Singh Bardia, the Managing Director of the Company and Sri P.L.Bardia, the Chief Executive Officer of the Company.

\*\*\* Sri P.L.Bardia is related to Sri Jay Singh Bardia, the Managing Director of the Company and Smt Vimala Devi Bardia, Non-Executive Director of the Company.

**(ii). Related to Key Managerial Personnel:**

- |           |   |
|-----------|---|
| a) Others | i) Sri K.L. Bardia<br>ii) Hulashchand Tarachand Bardia HUF<br>iii) Tarachand Estates Pvt Ltd. |
|-----------|---|

**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:**

i. KEY MANAGERIAL PERSONNEL	Year ended	Year ended
	31/03/2019	31/03/2018
	(₹ in Thousands)	(₹ in Thousands)
<b>(a) Remuneration to Key Managerial Personnel :</b>		
Managing Director	<b>3,000.00</b>	3,000.00
Non Executive Directors	<b>10.00</b>	9.00
Chief Executive Officer	<b>2,400.00</b>	2,400.00
Chief Financial Officer	<b>1,415.20</b>	1,415.20
Company Secretary	<b>464.00</b>	438.00
	<b><u>7,289.20</u></b>	<b><u>7,262.20</u></b>

# KRYPTON INDUSTRIES LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2019

### II. OTHERS

	Year ended 31st March, 2019			Year ended 31st March, 2018		
	Sri K. L. Bardia	Hulashchand Tarachand Bardia HUF	Tarachand Estate Pvt. Ltd.	Sri K. L. Bardia	Hulashchand Tarachand Bardia HUF	Tarachand Estate Pvt. Ltd.
	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)	(₹ Thousands)
<b>Transactions held:</b>						
Interest and Dividend taken	-	360.93	289.80	-	527.98	265.50
Rent given	-	180.00	-	-	180.00	-
Security given	-	500.00	-	-	-	-
Loan, Advances and Deposit given	-	2000.00	-	-	-	-
<b>Outstanding Balances:</b>						
Loans, Advances and Deposits given	-	4,755.35	3,556.98	-	6,394.42	3,267.18
Loans, Advances and Deposits taken (inclusive of interest)	6,468.30	-	-	6,468.30	-	-

#### 44. Additional information pursuant to paragraphs 5 (A) (viii) of Part II of Schedule III to the Companies Act, 2013 are follows:

##### A. C.I.F. value of imports by the Company (Excluding imported items purchased from SEZ):

	Year ended 31/03/2019	Year ended 31/03/2018
	(₹ in Thousands)	(₹ in Thousands)
Raw Materials & Trading Goods & Components	33,007.03	68,757.32
Stores and Spares	472.63	1,092.25
Plant & Machinery/ Capital in Work in Progress	75.34	383.60

##### B. Expenditure in foreign currency during the year:

	Year ended 31/03/2019	Year ended 31/03/2018
	(₹ in Thousands)	(₹ in Thousands)
Other matters	157.20	284.31

##### C. Earnings in Foreign Exchange:

	Year ended 31/03/2019	Year ended 31/03/2018
	(₹ in Thousands)	(₹ in Thousands)
Export of Goods on F.O.B. basis (Excluding exports to SEZ unit/EOU)	64,159.78	67,751.89

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

**Notes to the Financial Statements as at and for the year ended 31st March 2019**

**46 Disclosure in accordance with Ind AS-19 on employee benefits expense**

**Gratuity and other Post-employment benefits plan:**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

The Company also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement/ separation. This is an unfunded plan.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the Post - retirement benefit plans

	Year ended 31/03/2019 (₹ in Thousands)	Year ended 31/03/2018 (₹ in Thousands)
<b>I. Expenses recognised in the Statement of Profit &amp; Loss</b>		
1 Current service Cost	892.6	892.27
2 Past Service Cost *	-	33.31
3 Interest Cost	712.72	598.36
4 Expected Return on Plan Assets	-	-
5 Total	<u>1,605.32</u>	<u>1,523.94</u>
<b>Expenses recognised in OCI</b>		
6 Actuarial (Gain) / Losses	<u>(73.83)</u>	<u>(261.97)</u>
7 Total Expenses	<u>1,531.49</u>	<u>1,261.97</u>
<b>Note:</b> * Past Service Cost arises due to Increase in Gratuity Ceiling from Rs. 10,00,000/- to Rs. 20,00,000/-.		
<b>II. Net Assets /Liability recognised in the Balance Sheet</b>		
1 Present Value of defined Benefit Obligations	10,375.97	9,303.95
2 Fair Value of Plan Assets	<u>5,439.38</u>	<u>47.80</u>
3 Net Assets/ Liabilities	<u>(4,936.59)</u>	<u>(9,256.15)</u>
<b>III Changes in Obligations during the year</b>		
1 Present Value of Defined Benefit Obligation at the beginning of the year	9,303.95	8,310.58
2 Current Service Cost / Plan amendments	892.6	1523.93
3 Interest Cost	716.4	-0.62
4 Benefits Paid	(622.12)	-316.39
5 Actuarial (Gains) / Losses		
Arising from changes in experience	(93.80)	159.25
Arising from changes in demographic assumptions	-	-
Arising from changes in financial assumptions	178.93	(420.60)
6 Total	<u>1,072.01</u>	<u>945.57</u>
7 Present Value of Defined Benefit Obligation at the end of the year	<u>10,375.96</u>	<u>9,256.15</u>
<b>IV. Change in the Fair Value of Plan Assets during the year</b>		
1 Plan assets at the beginning of the year	47.80	42.15
2 Expected return on plan assets / Investment Income	162.64	3.65
3 Contribution by employer	5,851.06	316.39
4 Actual Benefits Paid	(622.12)	(314.39)
5 Actuarial Gains / (Losses)	-	-
6 Plan assets at the end of the year	5,439.38	47.80
7 Actual return on Plan Assets	-	-

# KRYPTON INDUSTRIES LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2019

<b>V</b>	<b>The major categories of plan assets as a percentage of the fair value of total plan assets</b>		
	Investments with Insurer	100%	100%
<b>VI</b>	<b>Actuarial Assumptions</b>		
	<b>Financial Assumptions</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
	Discount Rate	7.50%	7.70%
	Expected rate of return on plan assets	-	-
	<b>Demographic Assumptions</b>		
	Mortality Rate (% of IALM 06-08)	100%	100%
	Normal Retirement Age	58 years	58 years
	Attrition Rates, based on age (% p.a. for all age)	2.00	2.00
<b>VII</b>	The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market	5 % p.a	5 % p.a
<b>VIII</b>	Contribution to Provident and Other Funds includes Rs. 38.65 lacs (2017-18 - Rs. 38.96 lacs ) paid towards Defined Contribution Plans		
<b>IX</b>	<b>Maturity profile of the defined benefit obligation</b>		
	Weighted average duration of the defined benefit obligation	10 years	10 years
	Expected benefit payments for the year ending		
	Not later than 1 year	567.66	789.55
	Later than 1 year and not later than 5 years	3737.48	2907.63
	Later than 5 year and not later than 10 years	5723.74	5443.49
	More than 10 years	13925.00	13002.71
<b>X</b>	<b>Amounts for the current and previous two periods are as follows :</b>		
	<b>Gratuity</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
	Defined Benefit Obligation	10,375.97	9303.95
	Plan Assets	5,439.38	47.80
	Surplus / (deficit)	<u>(4,936.59)</u>	<u>(9,256.15)</u>
<b>XI</b>	<b>The basis of various assumptions used in actuarial valuations and their quantitative sensitivity analysis is as shown below :</b>		
		<b>31st March 2019</b>	<b>31st March 2018</b>
	<b>Assumptions</b>	<b>Discount ratge (a)</b>	<b>Discount rate (a)</b>
	Sensitivity level	<u>1% Increase</u> <u>1% Decrease</u>	<u>1% Increase</u> <u>1% Decrease</u>
	Impact on Gratuity liability	(844.93)            979.42	(762.44)            883.51
	<b>Assumptions</b>	<b>Future salary increases (b)</b>	<b>Future salary increases (b)</b>
	Sensitivity level	<u>1% Increase</u> <u>1% Decrease</u>	<u>1% Increase</u> <u>1% Decrease</u>
	Impact on Gratuity liability	1,020.53            (893.42)	921.79                (806.75)
<b>47.</b>	<b>Fair Value measurements :</b>		
		<b>Year ended</b>	<b>Year ended</b>
		<b>31/03/2019</b>	<b>31/03/2018</b>
		<b>(₹ in Thousands)</b>	<b>(₹ in Thousands)</b>
<b>a.</b>	<b>Class wise fair value of the Company's financial assets :</b>		
	<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
	Investment in Gold	426.61	414.18
	Sovereign Gold Bond	99.25	-

**Notes to the Financial Statements as at and for the year ended 31st March 2019**

- Note i) These investments in Gold are not held for trading. Upon application of IndAS - 109 - Financial Instruments, the Company has chosen to measure the investments in Gold at FVTPL as the management believes that presenting fair value gains and loss relating to these investments in the standalone statement of profit and loss is a proper disclosure by the Company.
- ii) The management assessed that the fair value of cash and cash equivalents, other bank balances, bank deposits, loans to employees, advance to manufacturing units, trade payables and other financial liabilities approximate the carrying amount largely due to short term maturity of these instruments. In relation to Trade Receivables, however, impairment loss based on historically observed default rates has been provided for and carrying of Trade Receivables has been reduced by this amount.

**b. Fair Value hierarchy**

The fair value of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly market between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note (a) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

**The categories used are as follows:**

- **Level 1:** quoted prices (unadjusted) in active markets for financial instruments
- **Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.
- **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

For assets and liabilities which are measured at fair value as at balance sheet date, the classification of fair value by category and level on inputs used is given below:

<b>As at 31 March 2019:</b>	(Rs. '000)		
<u>Particulars</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
i. Measured at fair value through profit or loss (FVTPL)			
Investment in Gold	426.61	-	-
Sovereign Gold Bond	99.25	-	-
<b>As at 31 March 2018:</b>	(Rs. '000)		
<u>Particulars</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
i. Measured at fair value through profit or loss (FVTPL)			
Investment in Gold	414.18	-	-
Sovereign Gold Bond	-	-	-

**c. Computation of fair values**

Investments in Gold represents long term strategic investments of the Company. For Gold, fair value is based on closing market price of these commodity as on the balance date.



# KRYPTON INDUSTRIES LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2019

### d. Fair value of assets and liabilities measured at cost/amortized cost

The carrying amount of financial assets and financial liabilities measured at amortized cost are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amount would be significantly different from the values that would be eventually received or settled. The management assessed that the fair value of cash and cash equivalents, other bank balances, bank deposits, loans to employees, advance to manufacturing units, trade payables and other financial liabilities approximate the carrying amount largely due to short term maturity of these instruments. In relation to Trade Receivables, however, impairment loss based on historically observed default rates has been provided for and carrying of Trade Receivables has been reduced by this amount. For long-term borrowings at fixed/floating rates, management evaluates that their fair value will not be significantly different from the carrying amount.

### 48 Financial Risk Management Objectives and policies

The Company's financial liabilities comprise borrowings, capital creditors and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investments and deposits. The Company also holds investments in Gold and Sovereign Gold Bond.

The Company has a Risk Management Committee that ensures that risks are identified, measured and managed in accordance with Risk Management Policy of the Company. The Board of Directors also review these risks and related risk management policy.

#### The market risks and credit risks are further explained below:

##### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTOCI investments, trade payables, trade receivables, etc.

##### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. Such foreign currency exposures are not hedged by the Company. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

	Year Ended 31/03/2019		Year Ended 31/03/2018	
	(USD in '000)	(₹ Thousands)	(USD in '000)	(₹ Thousands)
<b>In USD</b>				
Trade Receivables	78.6523	5,440.48	84.553	5,480.92
Trade Payables	65.392	4,523.22	172.791	11,239.41
Buyers Credit	29.57	2,045.26	197.69	12,821.66

**Notes to the Financial Statements as at and for the year ended 31st March 2019**

**Foreign currency sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

<u>Particulars</u>	<u>31.03.2019</u> Gain /(Loss)	<u>31.03.2018</u> Gain /(Loss)
INR appreciates by 5%	<b>56.40</b>	929.90
INR Depreciates by 5%	<b>(56.40)</b>	(929.90)

**Commodity Price Sensivity**

The Company's Investment in Gold is susceptible to market price risk arising gfrom uncertainty about future prices of Gold. The following table shows the effect on price changes in Gold Investments

<u>Particulars</u>	<u>31.03.2019</u> Gain /(Loss)	<u>31.03.2018</u> Gain /(Loss)
Gold Rate appreciates by 5%	<b>21.33</b>	19.18
Gold Depreciates by 5%	<b>(21.33)</b>	(19.18)

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

**Trade receivables**

A significant part of the Company's sales are under the 'cash and carry' model which entails no credit risk. For others, an impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data of credit losses. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 5 and 10 as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are from several industries.

**49 Capital Management**

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the Balance Sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Company.

**50 Disclsoure under MSME Act**

Disclosures under the Mirco, Small and Mediaum Enterprises Development Act, 2006 are provided as under for the year 2018-19 to the extend that comany has received intimation from suppliers regarding their status under the Act.

# KRYPTON INDUSTRIES LIMITED

## Notes to the Financial Statements as at and for the year ended 31st March 2019

a. Detail of Dues to Micro and Small Enterprises as Defined under MSMED Act, 2006 :	2018-19	2017-18
Principal and interest amount remaining unpaid		
Principal	201.96	-
Interest	4.9	-
<b>b.</b> The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed date during the year.	-	-
<b>c.</b> The amount of the payment made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
<b>d.</b> The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
<b>e.</b> The amount of interest accrued and remaining unpaid at the end of each accounting year	4.9	-
<b>f.</b> 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 purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

### 51. Significant Accounting Judgements, Estimates & Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions, as described below, that affect the reported amounts and the disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared and are reviewed at each Balance Sheet date. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the reported amounts and disclosures. Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the financial statements is as follows:

#### a) Employee benefit plans

The cost of the employment benefit plans and their present value are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future. For further details refer Note 46.

#### b) Impairment Allowance for Trade Receivables

The Company makes allowances for doubtful accounts receivable using a simplified approach which based on historically observed default rates.

Management believes that this simplified model closely represents the expected credit loss model to be applied on financial assets as per Ind AS 109.

#### c) Revenue recognition and customer's incentive programme

The Company usually has customer Incentive programs for its Sadhurhat Unit, engaged in manufacturing of the MCP tubeless Tyres for domestic market. This incentive is generally provided to the customers based on their sales volume generated during the said incentive period. The Company grants incentive at a certain percentage rate of the total sale made by those qualifying customers during that period.

**Notes to the Financial Statements as at and for the year ended 31st March 2019**

The company has made a provisional calculation of the Incentive to be made for the period based on the past trends of similar incentive programs and the same has been considered by the company while computing the Net Revenue in the books.

Refer note 27 and 28 for further details.

**d) Provision for litigations and tax disputes**

The likelihood of outcome of litigations and tax disputes are estimated by the management based on past experiences, legal advice, other public information etc. For further details, refer Note 40.

**Note :** Signatories to all Notes 1 to 51.

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**JAY SINGH BARDIA**

Managing Director  
(DIN : 00467932)

**PRADEEP KUMAR SINGH**

Director  
(DIN : 00386800)

Place : Kolkata

Dated : The 30th Day of May, 2019

**VINAY SIPANI**

Chief Financial Officer

**ARTI BAID**

Company Secretary

In terms of our attached report of even date

For **P. K. LUHARUKA & CO.**

CHARTERED ACCOUNTANTS

Firm Registration No.: 322020E

**PRADEEP KUMAR LUHARUKA**

PARTNER

Membership No. 055782