

CONTENTS

1.	Directors' Report	2
2.	Annexure to Directors' Report	13
3.	Report of Corporate Governance	26
4.	CEO / CFO Certificate	38
5.	Auditors' Certificate on Corporate Governance	39
6.	Auditors' Report & Annexure	43
7.	Balance Sheet	50
8.	Statement of Profit & Loss	51
9.	Cash Flow Statement	52
10.	Notes of the Financial Statements	54

AGM ON FRIDAY, 22ND SEPTEMBER, 2017

Venue

KRYPTON INDUSTRIES LIMITED

CIN : L25199WB1990PLC048791

Falta Special Economic Zone, Sector - 2, Plot No. 32
24 Parganas (South), West Bengal - 743 504
Time : 11:30 A.M.

ALL SHAREHOLDERS ARE WELCOME

**27TH ANNUAL REPORT
BOARD OF DIRECTORS**

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

ADMINISTRATIVE

P. L. BARDIA : CHIEF EXECUTIVE OFFICER
VINAY SIPANI : CHIEF FINANCIAL OFFICER
ARTI 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. JAGDISH AGARWAL & ASSOCIATES
Chartered Accountants
446, City Centre,
19, Synagogue Street, Kolkata - 700 001.
DEMAT REGISTRAR : MAHESHWARI DATAMATICS (P) LTD.
& 23, R.N. Mukherjee Road, 5th Floor, Kolkata - 700 001
SHARE TRANSFER AGENT Phone : 033-2243 5029, Fax : 033-22484787
HEAD OFFICE : 410, Vardaan Building
25A, Abanindra Nath Tagore Sarani
4th Floor, Kolkata - 700 016
Phone : 033-22871366, Fax : 033-22871084
Website : www.kryptongroup.com
E-mail : kyrpton@vsnl.com

DIRECTORS' REPORT

Dear shareholders,

Your Directors present the 27th Annual Report together with the audited accounts of your company for the year ended 31st March 2017.

1. FINANCIAL RESULTS

During the year under review, the company achieved an aggregate income of Rs.3399.25 Lakhs. The highlights of the financial results are as under:

	Amount in (Rupees in '000)	
	Current Year 2016-2017	Previous Year 2015-2016
Sales	333593.96	383983.65
Other Income	6331.21	2281.98
Gross Total Income	339925.17	386265.63
Profit before Interest, Depreciation & Tax	(888.00)	43880.32
Interest	20963.72	21161.02
Depreciation	17059.53	17855.96
Profit before Exceptional Items & Extraordinary items and Tax	(38911.25)	4863.34
Exceptional Items	-	-
Profit before Tax and after Exceptional Items & Extraordinary Items	(38911.25)	4863.34
Provision for Taxation	(242.32)	997.64
Profit after Tax	(38668.93)	3865.70
Balance in P&L A/c brought Forward	111462.02	107596.32
Adjustments under Schedule II of Companies Act, 2013	-	-
Balance Available for Appropriation	72793.09	111462.02
Proposed Dividend	0.00	0
Tax on Proposed Dividend	0.00	0
Transfer to General Reserve	0.00	0
Balance carried to Balance Sheet	72793.09	111462.02

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 2016-17 amounted to Rs.1177.12 lakhs compared to Rs.1380.29 lakhs of in the previous year. The profit before tax amounted to Rs. (279.94) lakhs as compared to profit of Rs.45.44 lakhs previous year.

Due to increase in raw material prices and also change in product specification we made losses in export which is one time loss and company is quite confident to make profits as past years in coming years.

Sadhurhat division

The unit is engaged in manufacturing MCP Tubeless Tires for domestic market. The unit reported an income for the year 2016-17 amounted to Rs. 784.48 lakhs as compared to the previous year Rs. 787.73 Lakhs and the unit reported the Profit before tax for the year 2016-17 of Rs. 67.67 lakhs compared with previous year of Rs. 76.14 lakhs.

This unit has maintained its profit margin intact as per last year. Although this year is very tough due to demonetization and increased raw material prices which has hurt the sale growth. But still company has maintained same turnover as per last year. We are very hopeful to make decent growth in domestic market in current year.

Wheel division

The total income of this unit for the year 2016-17 amounted to Rs.202.68 lakhs compared to Rs. 297.56 lakhs in the previous year. The unit reported the profit before tax for the year 2016-17 amounted to Rs. (78.72) lakhs compared to Rs. (27.27) lakhs in the previous year.

Due to weak export its turnover has reduced as well. 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 2016-17 amounted to Rs. 302.69 lakhs compared to Rs. 300.41 lakhs. The unit reported the profit before tax for the year 2016-17 amounted to Rs. 81.11 lakhs compared to the loss of Rs. 83.59 lakhs.

The unit should perform better in the current years due to the increase in production and capacity utilization.

Footwear division

The total income of the footwear division for the year 2016-17 amounted to Rs. 550.69 lakhs compared to Rs. 881.18 lakhs in the previous year. The unit reported a loss before tax of Rs. 158.32 lakhs during the year compared to loss of Rs. 144.87 lakhs in the previous year.

Due to Demonization and adverse market condition, the unit reported a loss. The Company is taking steps to change the product and customer mix for a stable business and specifically moving towards high value added products and expecting turnaround in this business segment and also we are working hard for further cost reduction for better bottom line. Our tie up with VKC group has also started giving positive results. Also company has started production of safety shoes which will give better turnover and higher margins. We are hopeful to reduce our losses in current year.

Engineering division

The total income of this unit for the year 2016-17 amounted to Rs. 951.61 lakhs compared to Rs.1019.84 lakhs in the previous year.

The unit posted the profit before tax for the year 2016-17 amounted to Rs. 3.93 lakhs compared to Rs. 21.15 lakhs.

The Indian Rehab Care Equipment Market has stated accepting 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.

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, 2017 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 Listing agreement with Stock Exchange:-

A. Industry Structure & Developments:-

Krypton Industries Limited (KIL) had a tough last year due to difficult market conditions and high input cost and high manufacturing expenses.

The company is mainly focusing in market expansion in India for its MCP tubeless tires and hospital/ disabled support equipment business. Company is looking for Big OEM's 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 sector 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 had a negative growth from 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. Also company is looking for African market for safety shoe segment which will give company higher margins with stability.

B. Outlook and opportunities

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

The company's major focus is on tire and rehab care business which has very high potential in future. Primarily, the PU tire for Bicycle, rehab care products and industrial application tire business 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**" , 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.

With change in business model of the footwear business, company is expecting a turnaround in footwear business in coming years. Also company has started manufacturing safety shoes market which will give company access to niche segment, which will help company to increase its profits & turnover.

C. Outlook on threats, risk and concern

1. Business Risks:

Company's major product portfolio is MCP tubeless Tires & castor wheels, which faces tough competition from rubber tires as prices of those tires are comparatively lower than PU tires. 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. Also globally PU raw material prices are higher than rubber prices which can also impact our topline.

Company is facing biggest competition from cheap & low quality Chinese products in Hospital/ disable support equipment business in Indian and across the world. Company is normally engaged in import of Raw Materials and export sales during its course of business which exposes it to exchange fluctuation and crude & petrochemicals prices, cost of manufacturing are also the areas of concern which we are mitigating it by cost reduction in each area possible.

KRYPTON INDUSTRIES LIMITED

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. 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, interalia, their views on the Adequacy of Internal Control Systems in the company and keeps Board of Directors informed from time to time.

E. Financial Performance

Over all financial Performance of the company is on right track but needs lot of improvements and which your company will surely do this year and in the years to come.

F. Human Resource Developments:

During the fiscal 2016-2017 company has more than 250 Persons on its payroll. Apart from this company has generated indirect employment to more than 500 persons in nearby locations. Company is working on to restructure the total organization to help its growth with further recruitment in the top and middle management level at different positions.

5. SHARE CAPITAL

The paid up equity share capital as at March 31, 2017 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. 14, 15 & 33 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.

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

Pursuant to section 139 of the Companies Act, 2013 M/s. Jagdish Agarwal & Associates (Registration No.320253E), Chartered Accountants would complete their current term as Statutory Auditors as permitted under the Companies act, 2013 read with the relevant rules made thereof at the ensuing 27th Annual General Meeting of the Company. Accordingly, the Board has recommended appointment of M/s P. K. Luharuka & Co., Chartered Accountants as Statutory Auditors to hold the office for a period of five (5) consecutive years from the conclusion of the 27th Annual General Meeting till the conclusion of the 32th Annual General Meeting subject to the approval of Shareholders.

M/s P. K. Luharuka & Co. (Registration no. 322020E), Chartered Accountants have confirmed their eligibility under section 141 of the Companies Act, 2013 and the Rules made there under for appointment of Auditors of the Company. As required under Regulation 33(1)(d) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The observations made by the Statutory Auditors in their report for the financial year ended 31st March 2017 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 M/s M.R. & Associates, Practicing Company secretaries to undertake the audit of Secretarial and other related records of the company. The Secretarial Audit Report issued by M/s M.R. & Associates in Form MR-3 for the financial year ended 31st March, 2017, 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.

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.

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 2016-2017.

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, ten 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. 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.

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.

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.

18. 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.

19. 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 also available on the website of the company, www.kryptongroup.com.

20. 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.

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

21. 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.

22. 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.

23. PARTICULARS OF EMPLOYEES

The disclosure required under section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith in Annexure- III.

Further, in accordance with the section 197(12) of the Companies Act, 2013 read with the Rules 5(2) & 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the company hereby confirm that:

- There was no employee employed throughout the financial year 2016-17 who was in receipt of remuneration in the financial year which, in aggregate was not less than one crore and twenty lakh rupees;
- There was no employee employed for a part of the financial year 2016-17 who was in receipt of remuneration for any part of the financial year which, in aggregate was not less than eight lakh and fifty thousand rupees per month;
- There was no employee employed throughout the financial year 2016-17 or a part thereof, who was in receipt of remuneration in the financial year which, in aggregate is in excess of that

KRYPTON INDUSTRIES LIMITED

drawn by the Managing Director or whole time director or manager and hold by himself or along with his spouse and dependent children, not less than the two percent of the equity shares of the company.

The statement showing the particulars of the employees of the company is also available for inspection by the members at the company's head office during business hours on working days of the company upto the date of the ensuing Annual General Meeting.

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.

24. 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 2016-17. 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.

25. 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: 30.05.2017

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 to LED lights 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.

A) TECHNOLOGY ABSORPTION

1. The efforts made towards technology absorption:

Our company's major focus is on Polyurethane products in Footwear, bicycle & rehab care industry which has a very good prospect in coming years. We are working on development new products 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 has started working in development of light weight aluminum wheelchairs and other high end power wheelchairs to increase its product base and also to be one the major players in rehab care industry.

Our company is working to enhance our footwear 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 is on right track as we are started getting benefit from our R&D activities & cost reduction measures. We are into final stage for supply our tires to major bicycle manufacturers.

KRYPTON INDUSTRIES LIMITED

We have also cut down our power cost and labour cost in our old tire unit by up gradation of machines and new technology which we are currently using in our new tire unit.

Our wheelchairs has been granted, **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. Also "**i Care**" brand has been accepted in Indian market and we are getting with very good response for our product range.

Footwear productivity will increase in coming years with our de bottlenecking initiative.

- (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:

FOREIGN EXCHANGE EARNING AND OUTGO :-

	2016-2017 (Rs. in '000)
1. (A) Foreign Exchange Earning	81979.95
2. (B) Foreign Exchange Outgo	
(i) CIF VALUE OF IMPORTS	
● Raw materials, Component & trading Goods	94467.59
● Stores and Spare parts & Component	523.28
● Capital Goods	307.46
(ii) Other matters	221.19

Registered Office : Falta Special Economic Zone
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West Bengal
CIN : L25199WB1990PLC048791

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

Jay Singh Bardia
Managing Director
(DIN : 00467932)

Date: 30.05.2017

ANNEXURE - II

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2017

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 & contact details	Falta Special Economic Zone, Sector-1, Plot No. 31 & 32, P.S. Diamond Harbour, 24 Parganas (South) West Bengal-743504, Ph. 91-3174-222227
vi	Whether listed company	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata-700 001 E-Mail: mdpl@cal.vsnl.net.in Phone: 033 2243 5809/5029

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	54.75
2	Footwear	1520	16.75
3	Hospital Equipments	3092	28.50

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

**KRYPTON INDUSTRIES
LIMITED**

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. 01.04.2016				No. of Shares held at the end of the year i.e. 31.03.2017				% change during the year (2016-2017)
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	3891141	0	3891141	26.4755	3841845	0	3841845	26.1401	-0.3354
b) Central Govt. of State Govt.									
c) Bodies Corporates									
d) Bank/FI									
e) Any other									
SUB TOTAL (A) (1)	3891141	0	3891141	26.4755	3841845	0	3841845	26.1401	-0.3354
(2) Foreign									
a) NRI-Individuals	0	0	0	0.0000	50796	0	50796	0.3456	0.3456
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other...									
SUB TOTAL (A) (2)	0	0	0	0.0000	50796	0	50796	0.3456	0.3456
Total Shareholding of Promoter (A) =(A)(1)+(A)(2)	3891141	0	3891141	26.4755	3892641	0	3892641	26.4857	0.0102
B. PUBLIC SHAREHOLDING									
(1) Institutions									
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				0.0000				0.0000	0.0000
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FII									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub Total (B)(1) :	0	2900	2900	0.0198	0	2900	2900	0.0198	0.0000

**KRYPTON INDUSTRIES
LIMITED**

(2) Non Institutions									
a) Bodies corporates									
i) Indian	1675231	30851	1706082	11.6083	1521763	30851	1552614	10.5640	-1.0443
ii) Overseas	0	324000	324000	2.2045	0	324000	324000	2.2045	0.0000
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	2227378	604481	2831859	19.2681	2344719	569811	2914530	19.8306	0.5625
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	4627039	315375	4942414	33.6284	4750547	255500	5006047	34.0614	0.4330
c) Others (specify)									
Non-Resident Indians	741517	170500	912017	6.2054	739924	170500	910424	6.1946	-0.0108
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	60947	0	60947	0.4147	68204	0	68204	0.4641	0.0494
Trusts									
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI									
Employee Trusts	25770	0	25770	0.1753	25770	0	25770	0.1753	0.0000
Domestic Corporate Unclaimed Shares Account									
Investor Education and Protection Fund Authority									
SUB TOTAL (B)(2) :	9357882	1445207	10803089	73.5047	9450927	1350662	10801589	73.4945	-0.0102
Total Public Shareholding (B) = (B)(1)+(B)(2)	9357882	1448107	10805989	73.5245	9450927	1353562	10804489	73.5143	-0.0102
C. Shares held by Custodian for GDRs * ADRs									
Grand Total (A+B+C)	13249023	1448107	14697130	100.000	13343568	1353562	14697130	100.000	0.000

ii. SHARE HOLDING OF PROMOTERS

Sl. No.		Shareholding at the beginning of the year, i.e. 01.04.2016			Shareholding at the end of the year, i.e. 31.03.2017			% change share holding during the year (2016-2017)
		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	1538550	10.4684	0.0000	0.0000
2	Pannalal Bardia	1122869	7.6401	0.0000	1122869	7.6401	0.0000	0.0000
3	Pannalal Bardia	462075	3.1440	0.0000	462075	3.1440	0.0000	0.0000

**KRYPTON INDUSTRIES
LIMITED**

4	Vimala Devi Bardia	282000	1.9187	0.0000	282000	1.9187	0.0000	0.0000
5	Tilok Chand Bachhawat	116300	0.7913	0.0000	90300	0.6144	0.0000	-0.1769
6	Binod Kumar Sipani	55375	0.3768	0.0000	55375	0.3768	0.0000	0.0000
7	Ruchi Bachawat	50796	0.3456	0.0000	50796	0.3456	0.0000	0.0000
8	Kusum Bachhawat	50200	0.3416	0.0000	0	0.0000	0.0000	-0.3416
9	Tilok Chand Bachhawat	47549	0.3235	0.0000	123749	0.8420	0.0000	0.5185
10	Alka Bardia	45000	0.3062	0.0000	45000	0.3062	0.0000	0.0000
11	Suchi Bachhawat	43658	0.2971	0.0000	45158	0.3073	0.0000	0.0102
12	Tansukh Gulgulia	30700	0.2089	0.0000	30700	0.2089	0.0000	0.0000
13	Manju Sipani	23710	0.1613	0.0000	23710	0.1613	0.0000	0.0000
14	Tansukh Gulgulia	22300	0.1517	0.0000	22300	0.1517	0.0000	0.0000
15	Piyush Baid	59	0.0004	0.0000	59	0.0004	0.0000	0.0000
	Total	3891141	26.4756		3892641	26.4858		

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2016		Cumulative Share holding during the year	
		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	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	47549	0.3235		
	AS ON 26/08/2016 - TRANSFER	76200	0.5185	123749	0.8420
	AT THE END OF THE YEAR	123749	0.8420	123749	0.8420
3	PANNA LAL BARDIA				
	AT THE BEGINNING OF THE YEAR	462075	3.1440	462075	3.1440
	AT THE END OF THE YEAR	462075	3.1440	462075	3.1440
4	TANSUKH GULGULIA				
	AT THE BEGINNING OF THE YEAR	30700	0.2089	30700	0.2089
	AT THE END OF THE YEAR	30700	0.2089	30700	0.2089
5	VIMLA DEVI BARDIA				
	AT THE BEGINNING OF THE YEAR	282000	1.9187	282000	1.9187
	AT THE END OF THE YEAR	282000	1.9187	282000	1.9187

**KRYPTON INDUSTRIES
LIMITED**

6	JAY SINGH BARDIA				
	At the beginning of the year	1538550	10.4684	1538550	10.4684
	At the end of the year	1538550	10.4684	1538550	10.4684
7	PANNALAL BARDIA				
	At the beginning of the year	1122869	7.6401	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	59	0.0004
	At the end of the year	59	0.0004	59	0.0004
9	TILOK CHAND BACHHAWAT				
	At the beginning of the year	116300	0.7913	116300	0.7913
	As on 26/08/2016 - Transfer	-26000	0.1769	90300	0.6144
	At the end of the year	90300	0.6144	90300	0.6144
10	KUSUM BACHHAWAT				
	At the beginning of the year	50200	0.3416	50200	0.3416
	As on 26/08/2016 - Transfer	-50200	0.3416	0	0.0000
	At the end of the year	0	0.0000	0	0.0000
11	RUCHI BACHHAWAT				
	At the beginning of the year	50796	0.3456	50796	0.3456
	At the end of the year	50796	0.3456	50796	0.3456
12	SUCHI BACHHAWAT				
	At the beginning of the year	43658	0.2971	43658	0.2971
	As on 06/05/2016 - Transfer	1500	0.0102	45158	0.3073
	At the end of the year	45158	0.3073	45158	0.3073
13	ALKA BARDIA				
	At the beginning of the year	45000	0.3062	45000	0.3062
	At the end of the year	45000	0.3062	45000	0.3062
14	BINOD KUMAR SIPANI				
	At the beginning of the year	55375	0.3768	55375	0.3768
	At the end of the year	55375	0.3768	55375	0.3768
15	MANJU SIPANI				
	At the beginning of the year	23710	0.1613	23710	0.1613
	At the end of the year	23710	0.1613	23710	0.1613

**KRYPTON INDUSTRIES
LIMITED**

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

Sl. No.	Shareholder's Name	Shareholding at the beginning (as on 01.04.2016)/ end (as on 31.03.2017) of the year		Date	Increase/ Decrease of Shareholding	Reason	Cumulative Shareholding during the year (from 01.04.2016-31.03.2017)	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
1	JALAN COMMODITIES PRIVATE LIMITED							
	At the beginning of the year	540000	3.6742	There were No increase / decrease in the shareholding during the year		540000	3.6742	
	At the end of the year	540000	3.6742			540000	3.6742	
2	KANHAIYA LAL BARDIA							
	At the beginning of the year	418500	2.8475	There were No increase / decrease in the shareholding during the year		418500	2.8475	
	At the end of the year	418500	2.8475			418500	2.8475	
3	SANGEETHA S #							
	At the beginning of the year	344590	2.3446				344590	2.3466
	At the end of the year	0	0.0000	14.10.2016	-344590	Transfer	0	0.0000
4	RICHARD WARREN BENHAM							
	At the beginning of the year	310000	2.1093	There were No increase / decrease in the shareholding during the year		310000	2.1093	
	At the end of the year	310000	2.1093			310000	2.1093	
5	POLYAIR TIRES INC.							
	At the beginning of the year	224000	1.5241	There were No increase / decrease in the shareholding during the year		224000	1.5241	
	At the end of the year	224000	1.5241			224000	1.5241	
6	Prasann Devi Bucha							
	At the beginning of the year	201000	1.3676	There were No increase / decrease in the shareholding during the year		201000	1.3676	
	At the end of the year	201000	1.3676			201000	1.3676	
7	SANTEX MILLS LIMITED							
	At the beginning of the year	200000	1.3608	There were No increase / decrease in the shareholding during the year		200000	1.3608	
	At the end of the year	200000	1.3608			200000	1.3608	
8	SNEHALATHA SINGHI							
	At the beginning of the year	128155	0.8720	There were No increase / decrease in the shareholding during the year		128155	0.8720	
	At the end of the year	128155	0.8720			128155	0.8720	

**KRYPTON INDUSTRIES
LIMITED**

9	D S K NAGESWA RA RAO #							
	At the beginning of the year	114313	0.7778				114313	0.7778
				20.05.2016	-6201	Transfer	108112	0.7356
				27.05.2016	-551	Transfer	107561	0.7319
				03.06.2016	-22300	Transfer	85261	0.5801
				10.06.2016	-8840	Transfer	76421	0.5200
				17.06.2016	-5161	Transfer	71260	0.4849
				24.06.2016	-13526	Transfer	57734	0.3928
				30.06.2016	-7000	Transfer	50734	0.3452
				08.07.2016	-2000	Transfer	48734	0.3316
				15.07.2016	-5000	Transfer	43734	0.2976
				22.07.2016	-8890	Transfer	34844	0.2371
				29.07.2016	-3000	Transfer	31844	0.2167
				02.09.2016	-2844	Transfer	29000	0.1973
				09.09.2016	-23000	Transfer	6000	0.0408
				16.09.2016	-6000	Transfer	0	0.0000
	At the end of the year	0	0.0000				0	0.0000
10	PREM MEIWAL							
	At the beginning of the year	114252	0.7774	There were No increase / decrease in the shareholding during the year			114252	0.7774
	At the end of the year	114252	0.7774				114252	0.7774
11	SUBRAMANIAN P*							
	At the beginning of the year	0	0.0000				0	0.0000
				14.10.2016	436793	Transfer	436793	2.9720
				24.03.2017	12167	Transfer	448960	3.0547
				31.03.2017	27360	Transfer	476320	3.2409
	At the end of the year	476320	3.2409				476320	3.2409
12	MANISH PINCHA*							
	At the beginning of the year	106831	0.7269	There were No increase / decrease in the shareholding during the year			106831	0.7269
	At the end of the year	106831	0.7269				106831	0.7269

Note : * Not in the list of Top 10 Shareholders as on 01.04.2016. The Same has been reflected above since the shareholder was one of the Top 10 Shareholders as on 31.03.2017.

Ceased to be in the list of Top 10 Shareholders as on 31.03.2017. The same is reflected above since the shareholders was one of the Top 10 Shareholders as on 01.04.2016.

**KRYPTON INDUSTRIES
LIMITED**

v. SHAREHOLDING OF DIRECTORS & KMP

Sl. No.	Name	Shareholding at the beginning of the year, i.e. 01.04.2016		Cumulative Shareholding during the year, i.e. 01.04.2016 - 31.03.2017	
		No. of Shares*	% of total shares of the company	No. of Share	% of total shares of the company
1	Jay Singh Bardia	1538550	10.4684	1538550	10.4684
2	Pannalal Bardia	1584944	10.7841	1584944	10.7841
3	Vinay Sipani	10340	0.0703	10340	0.0703
4	Vimala Devi Bardia	282000	1.9187	282000	1.9187
5	Tilok Chand Bachhawat	163849	1.1148	163849	1.1148
	Purchased 50200 (net) Shares on 26.08.2016- Transfer			214049	1.4564

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
Indebtness at the beginning of the financial year				
i) Principal Amount	131743680.00	44184980.00	0.00	175928660.00
ii) Interest due but not paid		60750.00	0.00	60750.00
iii) Interest accrued but not due				0.00
Total (i+ii+iii)	131743680.00	44245730.00	0.00	175989410.00
Change in Indebtedness during the financial year				
Additions	462479460.00	10345130.00		472824590.00
Reduction	455783820.00	15421010.00	0.00	471204830.00
Net Change	6695640.00	-5075880.00		1619760.00
Indebtedness at the end of the financial year				
i) Principal Amount	138439320.00	39040150.00	-	177479470.00
ii) Interest due but not paid		129700.00	-	129700.00
iii) Interest accrued but not due			-	0.00
Total (i+ii+iii)	138439320.00	39169850.00	0.00	177609170.00

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	Gross salary		
	(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 Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit		
	others (specify)		
5	Others, please specify	-	-
	Total (A)	30,00,000.00	30,00,000.00
	Ceiling as per the Act (Note : The ceiling is determined in case of no profit or inadequate profits)		60,00,000.00

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 Committee Meetings	5,000.00	-	-	2,000.00	7,000.00
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (1)	5,000.00	-	-	2,000.00	7,000.00
2	Other Non-Executive Directors					
	(a) Fee for attending board Committee Meetings	-	500.00	5,000.00	-	5,500.00
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	500.00	5,000.00	-	5,500.00
	Total (2)	5,000.00	500.00	5,000.00	2,000.00	12,500.00
	Total Managerial Remuneration					
	Overall Ceiling as per the Act.**					

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

**KRYPTON INDUSTRIES
LIMITED**

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	24,00,000.00	14,15,200.00	3,84,000.00	41,99,200.00
	(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	-	-	-	-
	Total	24,00,000.00	14,15,200.00	3,84,000.00	41,99,200.00

vii. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

There were no penalties / punishment / compounding of offences during the year ended 31st March 2017.

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	30.65

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 2016-17
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	No increment during the year

3. **The percentage increase in the median remuneration of employees in the financial year : 5.24%.**
4. **The number of permanent employees on the rolls of company : 256 employees as on March 31, 2017.**
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 2016-17 is 5-7%.

Average Salary increase of managerial employees for 2016-17 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.

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

2. Board of Directors:

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

The Board of Directors of the Company as on 31st March, 2017 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 10 times on 30.05.2016, 27.06.2016, 16.07.2016, 12.08.2016, 23.09.2016, 04.10.2016, 14.11.2016, 09.12.2016, 14.02.2017 & 29.03.2017. The previous Annual General Meeting was held on 22nd September, 2016.

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 2017 are as under:

Sl. No.	Name of Director	Attendance		Category of Directors	Relationship with other other Directors	No. of Directorship In other Public Limited Companies		No. of Committee* Membership/Chairmanship in other Public Limited Companies	
		Board	Last AGM			Listed	Others	Chairman	Members
1.	Mr. Jay S. Bardia	10	No	Promoter, Executive, Managing Director	Related with Mrs. Vimala Devi Bardia, Non Executive Director	NIL	NIL	NIL	NIL
2.	Mr. Tilok Chand Bachhawat	01	No	Non-Executive	None	NIL	NIL	NIL	NIL
3.	Mr. Pradeep Kumar Singh	10	No	Independent, Non-executive Chairman	None	NIL	NIL	NIL	NIL
4.	Mr. Ravi Prakash Pincha	04	Yes	Independent, Non-executive	None	1	1	0	1
5.	Mrs. Vimala Devi Bardia	10	No	Non-executive, Woman Director	Related with Mr. Jay Singh Bardia, Executive Managing Director	NIL	NIL	NIL	NIL

*Committees include only Audit Committee and Stakeholders Relationship Committee.

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

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

b) Appointment / Reappointment of Director liable to retire by rotation:

Mr. Tilok Chand Bachhawat (DIN: 00580356), Non Executive Director is liable to retire by rotation in accordance with the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

A brief profile of the Director proposed to be appointed/re-appointed, along with the particulars of their Directorship held by them, has been appended to the Notice of Annual General Meeting, being circulated to the members along with Annual Report.

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

Except for drawing remuneration and sitting fees, none of the directors have any other materially significant related party transaction, pecuniary or business relationship with the company. Details of the sitting fees/compensation paid to Non-Executive director are shown separately in this report.

e) Board Training & Induction

The Board is responsible for the selection of new Directors on the recommendation received from the Nomination and Remuneration Committee. The Director after being appointed is presented with the Company's profile, relevant Annual Reports and the details of the Company's manufacturing activities including a complete oversight of Company's operations and control.

The Independent Directors are given a formal letter of appointment stating their roles, duties and responsibilities required along with a detailed explanation in adherence to the compliances required under the Companies Act, 2013 and SEBI Listing Regulations, 2015 and other relevant regulations and taken an affirmation with respect to the same. The Directors are familiarised with your Company's business, organizational set up, functioning of various departments, internal control process and relevant information pertaining to your company. Your Company imparted a familiarization training programme and interaction held with the Directors & Senior Management of your Company. A detail of the familiarization programme imparted to Directors is available on company's website, www.kryptongroup.com.

f) 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.

3. Audit Committee:

The terms of reference, role and scope are in line with those prescribed by Regulation 18 of the SEBI Listing Regulations, 2015 with the Stock Exchange(s). The Company also complies with provisions of section 177 of the Companies Act, 2013 pertaining to Audit Committee and its functioning.

KRYPTON INDUSTRIES LIMITED

Brief description of the role/ terms of reference to the Audit Committee :-

- I. Overview of Company's Financial Reporting process & the disclosure of its Financial Information to ensure that the Financial Statement is correct, sufficient and credible.
- II. Recommending to the board the appointment, re-appointment and if required, the replacement or removal of Statutory Auditor and fixation of Audit fees and approval of payment for any other services rendered by them.
- III. Reviewing, with the management, the unaudited Quarterly/Half yearly and the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;
- IV. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- V. Evaluation of internal financial controls and risk management systems.
- VI. To review the functioning of the whistle blower mechanism.

a) 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. Ms. Arti Bothra, Company Secretary of the Company also acted as Secretary to the Committee.

SL. No.	Name of Member	Category	No. of meetings attended
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 30.05.16, 12.08.16, 14.11.16 and 14.02.17.

4. Nomination & Remuneration Committee:

The Committee has been constituted to recommend / review remuneration of the Managing Director, based on his performance and defined assessment criteria. The Managing Director, Mr. Jay Singh Bardia, receives remuneration, which is based on the recommendation of the board and within the ceilings fixed by the shareholders.

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.

Brief description of terms of Reference to the Committee:-

- I. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees,
- II. Formulation of criteria for evaluation of Independent Directors and the Board,
- III. Devising a policy on Board diversity,
- IV. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommended to the Board their appointment and removal.
- V. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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. For the performance evaluation criteria for Independent Directors, please refer Board's Report.

a) **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 25th June, 2016 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

**KRYPTON INDUSTRIES
LIMITED**

b) **Remuneration to Executive Director:**

Remuneration of the Managing Director for the year-ended 31.03.2017, which was approved by shareholders, is as follows:

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

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

Remuneration of non-executive Directors for the year ended March 31, 2017 is as follows:-

Name of the Directors	Sitting Fees (Rs.)	Others (Rs.)	Total (Rs.)
Mr. Pradeep Kumar Singh	5,000	NIL	5,000
Mr. T. C. Bachhawat	500	NIL	500
Mr. Ravi Prakash Pincha	2,000	NIL	2,000
Mrs. Vimala Devi Bardia	5,000	NIL	5,000

Apart from the above, there was no pecuniary relationship or transactions between Company and non executive directors.

d) **Details of the Shares of the Company held by directors as on March 31, 2017 are as follows:**

Name of the Directors	No. of Shares held
Mr. Jay Singh Bardia	15,38,550
Mrs. Vimala Devi Bardia	2,82,000
Mr. T.C. Bachhawat	2,14,049
Mr. Pradeep Kumar Singh	NIL
Mr. Ravi Parkash Pincha	NIL

5. Stakeholders Relationship 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 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.

a) 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.

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

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

Ms. Arti Bothra, Company Secretary of the Company also acted as Secretary to the Committee.

c) Investors Grievance Redressal:-

No. of Complaints pending at the beginning of the financial year 2016-2017	:-	NIL
No. of Complaints received during the financial year 2016-2017	:-	0
No. of Complaints redressed during the financial year 2016-2017	:-	0
No. of Complaints pending at the end of the financial year 2016-2017	:-	NIL

Name, designation and address of Compliance Officer : Ms. Arti 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 @vsnl.com

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

6. Independent Directors Meeting:

During the year under review, the Independent Directors met on 30th September, 2016 inter alia to:

- i) Review of the performance of the non-independent directors and the Board as a whole,
- ii) Review the performance of the chairperson of the company, taking into account the views of executive directors and non-executive directors,
- iii) To assess the quality, quantity and timeliness of flow of information between the company management and the Board to effectively and reasonably perform their duties.

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
2013-2014	27.08.2014	FALTA SPECIAL ECONOMIC ZONE Sector-1, Plot No. 31 & 32 Falta, 24-Parganas (S) Pin - 743 504, West Bengal	11.30 AM
2014-2015	24.09.2015		11.30 AM
2015-2016	22.09.2016		11.30 AM

KRYPTON INDUSTRIES LIMITED

All the resolution, including special resolutions set out in the respective Notices were 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

a) 27th Annual General Meeting:

Date : 22nd September, 2017
Time : 11:30 A.M.
Venue : Falta Special Economic Zone
Sector - 2, Plot No. 32
24 Parganas (South), West Bengal - 743504

b) Financial Calendar: -

Event	Date of approval by the Board for publication
First Quarter Results	12th August, 2016
Half Yearly Results	14th November, 2016
Third Quarter Results	14th February, 2017
Final Audited Results	30th May, 2017

ii) Posting of Annual Report : On or before 28/08/2017

iii) Last date of Receipt of Proxy Forms : 20th September, 2017 (within 11:30 A.M)

c) **Date of Book Closure** : 15th September to 22nd September, 2017

d) **Listing on Stock Exchanges** : Bombay Stock Exchange
Calcutta Stock Exchange
Delhi Stock Exchange#
Jaipur Stock Exchange *

Recognition of the said Stock Exchange has been withdrawn by SEBI via its order passed on November 19, 2014.

* The said stock Exchange has voluntarily applied for surrender of recognition & exit, an order in relation to the same has been passed by SEBI on March 23, 2015.

The company confirms that it has paid annual listing fees for the year 2016-2017.

e) Stock Code / Symbols

- 1) Stock Exchange Codes :
- i) Bombay Stock Exchange, Mumbai : Krypton 523550
 - ii) The Calcutta Stock Exchange Association Ltd : Physical K-025
 - iii) Jaipur Stock Exchange : Physical -1836
 - iv) Delhi Stock Exchange : NOTAVAILABLE
- 2) ISIN No. : INE 951B01014

f) 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 2016 to March 2017 are as under:

Months	Krypton at BSE		BSE SENSEX	
	High (Rs)	Low (Rs)	High	Low
April, 2016	14.75	12.90	26100.54	24523.20
May, 2016	14.70	12.00	26837.20	25057.93
June, 2016	13.49	10.15	27105.41	25911.33
July, 2016	15.50	11.50	28240.20	27034.14
August, 2016	14.45	11.00	28532.25	27627.97
September, 2016	17.00	11.26	29077.28	27716.78
October, 2016	17.45	15.00	28477.65	27488.30
November, 2016	17.00	12.65	28029.80	25717.93
December, 2016	17.97	12.55	26803.76	25753.74
January, 2017	15.50	13.15	27980.39	26447.06
February, 2017	15.95	12.72	29065.31	27590.10
March, 2017	14.97	10.55	29824.62	28716.21

- g) Registrar & Transfer Agents :** **Maheshwari Datamatics Pvt. Ltd.**
 23, R.N. Mukherjee Road, 5th Floor
 Kolkata - 700 001
 E-Mail : mdpl@cal.vsnl.net.in
 Phone : 033 2243 5809/5029
 Fax : 033 2248 4787

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

**KRYPTON INDUSTRIES
LIMITED**

h) Share Transfer Systems:

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

i) Nomination Facility:

Pursuant to section 72 of the Companies Act, 2013 read with relevant rules made there under, members are entitled to make Nomination in respect of the shares held by them. Members holding the shares in dematerialized form are requested to give the nomination request to the respective depositories directly in the required format and the Members holding the shares in physical form may obtain the nomination form (FormSH-13) from the Registrar and share Transfer Agent.

j) Distribution of Shareholding:

l) Category wise shareholding pattern as on 31.03.2017 was as under:

CATEGORY	NO.OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
PROMOTER'S HOLDING		
FOREIGN PROMOTERS	50796	0.3456
INDIAN PROMOTERS*	3841845	26.1401
NON-PROMOTERS HOLDING		
BANKS, FINANCIAL INSTITUTIONS,	25870	0.1760
INSURANCE COMPANIES	-	-
(CENTRAL/STATE GOVT. INSTITUTIONS / NON-GOVT. INSTITUTIONS)	-	-
MUTUAL FUNDS/UTI	2800	0.0191
OTHERS	68204	0.4641
PRIVATE CORPORATE BODIES	1552614	10.5641
INDIAN PUBLIC	7920577	53.8920
NRIs/OCBs	1234424	8.399
TOTAL	14697130	100

ii) **DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2017**

Nominal Value of Shares (Rs) (1)	Share Holders		No. of Shares	
	(Numbers) (2)	(% of Total) (3)	(Numbers) (4)	(% of Total) (5)
Upto 5,000	6937	86.3670	87645	5.9635
5001 to 10000	353	4.3949	293927	1.9999
10001 to 20000	229	2.8511	354687	2.4133
20001 to 30000	104	1.2948	268098	1.8242
30001 to 40000	61	0.7595	219724	1.4950
40001 to 50000	65	0.8093	311393	2.1187
50001 to 100000	101	1.2575	778377	5.2961
100001 & Abov	182	2.2659	11594465	78.8893
Grand Total :	8032	100.0000	14697130	100.0000

k) **Dematerialisation of shares:**

The shares of the company are in compulsory demat segment and are available for trading in the depository system of both the National Securities Depository Limited & Central Depository Services (India) Limited. As on 31st March, 2017, equity shares of the company forming 90.7902 % of the share capital of the Company stand Dematerialized.

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

l) **Plant Locations :**

DIVISION - I (Tyre Division)
Falta Special Economic Zone
Sector-1, Plot No. 31 & 32
Falta, 24-Parganas (S)
Pin - 743 504, West Bengal

DIVISION -II (Footwear Division)
Banganagar,
Diamond Harbour Road
Falta, 24-Parganas (S)
Pin- 743 513, West Bengal

DIVISION - III (Wheel Division)
Falta Special Economic Zone
Sector-2, Plot No. 48
24-Parganas (S)
Pin - 743 504, West Bengal

DIVISION - IV (Engineering Division)
Falta Special Economic Zone
Sector-2, Plot no. 32
24-Parganas (S)
Pin- 743 504, West Bengal

DIVISION - V (Plastic Division)
Falta Special Economic Zone
Sector-2, Plot No. 49 (part)
24-Parganas (S)
Pin - 743 504, West Bengal

DIVISION- VI (Sadhurhat Division)
Sarisa Falta Road, Sadhurhat,
PS- Ramnagar,
24 Parganas (S),
West Bengal -743504

KRYPTON INDUSTRIES LIMITED

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

10. Disclosures

A) **Related Party Transactions :**

All transactions entered into with the related parties during the financial year ended 31st March, 2017 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 40. to the Financial Statements.

A framed Policy on Related Party Transactions is uploaded on the Company's website, www.kryptongroup.com.

B) **Compliances by the Company :**

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

C) **Whistle Blower Policy :**

In accordance with the provision of the Companies Act, 2013 read with the Rules made therein and SEBI Listing Regulations, 2015, every listed company is require to a Vigil Mechanism for the directors and employees to report their genuine concerns and grievances. A framed Vigil Mechanism is uploaded on the company's website, www.kryptongroup.com. The Audit Committee is entrusted with the responsibility to oversee the Vigil Mechanism.

D) **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.

E) **Policy on Determination of Materiality for Disclosures & Archival Policy:**

In accordance with Regulation 30 of SEBI Regulations, 2015, the Company has framed 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. Further, the Company has an archival policy in line with the requirements of SEBI Regulations to ensure that information relating to the Company is adequately disclosed on its website as required by law.

A framed policy is uploaded on the company's website, www.kryptongroup.com

F) Policy on Preservation of Documents:

In accordance with Regulation 9 of SEBI Listing Regulations, 2015, the Company has framed a policy on preservation of documents approved by the board of directors of the Company. The policy is intended to define preservation of documents and to provide guidance to the executives and employees working in the Company to make decisions that may have an impact on the operations of the Company. It is classified into two categories based on nature of documents i.e. Documents to be kept permanent and Documents to be kept for a period of not less than eight years after completion of the relevant transactions. The Policy has been uploaded on the Company's website. www.kryptongroup.com

G) 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.

H) Disclosure of Accounting Treatment

The Company has followed all relevant Accounting Standards while preparing the financial statements.

I) Proceeds from Public Issues, Right Issues and Preferential Issues, etc

During the financial year 2016-2017, the company did not issue or allot any securities to its shareholders.

J) 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.

K) 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 Right

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

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

**KRYPTON INDUSTRIES
LIMITED**

CEO / CFO CERTIFICATION

(Pursuant to SEBI (Listing Obligations and Disclosures Requirement) 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 2017, 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	Sd/- Jay Singh Bardia (Managing Director) DIN : 00467932	Sd/- Panna Lal Bardia (Chief Executive Officer)	Sd/- Vinay Sipani (Chief Financial Officer)
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Declaration on Compliance of the Company's Code of Conduct

As provided under Regulation 34(3) 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, 2017.

For **Krypton Industries Limited**

Place: Kolkata
Date: 30.05.2017

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

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, 2017, 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 **JAGDISH AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 320253E

Place : Kolkata.
Dated : 30.05.2017

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

**KRYPTON INDUSTRIES
LIMITED**

ANNEXURE - V : SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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. We 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 our opinion thereon.
2. Based on our verification of the Company's 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 covering the financial year ended on 31st March, 2017 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. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 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') :-
 - (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;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

**KRYPTON INDUSTRIES
LIMITED**

- (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 regard 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 Limited. Jaipur stock exchange as the said stock exchange has applied for voluntary surrender of recognition & exit, an order in relation to same has been passed by SEBI on March 23, 2015 & Delhi Stock Exchange as the recognition of the said stock exchange has been withdrawn by SEBI via its order passed on November 19, 2014.

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

- (i) The Company had 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(1), 299(2), 63, 73(2BA) 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 Directors 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 Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees 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 the laws, rules, regulations, guidelines, standards, etc, referred to above.

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

For **MR & Associates**
Company Secretaries

[M R Goenka]
Partner

C P No.:5603

Place : Kolkata
Date : 30.05.2017

**KRYPTON INDUSTRIES
LIMITED**

"ANNEXURE - A"

(TO THE SECRETARIAL AUDIT REPORT OF KRYPTON INDUSTRIES LIMITED
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017)

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 **MR & Associates**
Company Secretaries

[M R Goenka]

Partner

C P No.: 5603

Place : Kolkata

Date : 30.05.2017

INDEPENDENT AUDITORS' REPORT

To the Members of
Krypton Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Krypton Industries Limited** (hereinafter referred to as "**The Company**"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the statement of Cash Flows for the year then ended, and a summary of the Significant Accounting Policies and other explanatory information herein after referred to as "Standalone financial statements"

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

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.

Opinion

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 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 31st March, 2017, and its loss, its Cash Flows for the year ended on that date.

KRYPTON INDUSTRIES LIMITED

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (herein referred to as "the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, and on the basis of such checking 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.
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 appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Statement of Cash Flows, 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 Companies Act, 2013 read with relevant rule issued thereunder.
 - (e) On the basis of Written Representation received from the Directors as on 31st March, 2017, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31st, 2017, 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations as on March 31, 2017 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.
 - iv) The Company has provided requisite disclosures in the standalone financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of account maintained by the Company and as produced to us by the Management

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

Place: Kolkata.
Dated: The 30th Day of May, 2017

J.P.AGARWAL
PARTNER
Membership No.055436

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, 2017

- (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 is still existing 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.

**KRYPTON INDUSTRIES
LIMITED**

(vi) We have broadly reviewed the cost records maintained by the 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.

(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, 2017for 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 ₹ 14,33,509/- and sales tax aggregating ₹ 50,14,928.60/-, 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 due 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	Remark, if any
			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	Central Sales Tax Act/WB VAT Act.	Sales Tax & VAT (For the Company)	₹ 43,56,213/-	₹ 38,300/-	FY : 2010-11	Appeal with joint Commissioner	
3		Sales Tax & VAT (For the Company)	₹ 6,97,015.60/-	-	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.

**KRYPTON INDUSTRIES
LIMITED**

- (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.
- (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 **JAGDISH AGARWAL & ASSOCIATES**

CHARTERED ACCOUNTANTS

Firm Registration No.320253E

Place: Kolkata.

J.P.AGARWAL

Dated: The 30th Day of May, 2017

PARTNER

Membership No.055436

ANNEXURE "B" TO INDEPENDENT AUDITORS' REPORT

Referred to in Clause (f) of Paragraph 1 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, 2017.

**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, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as on March 31, 2017 .

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, 2017, 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 **JAGDISH AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration No.320253E

Place: Kolkata.
Dated: The 30th Day of May, 2017

J.P.AGARWAL
PARTNER
Membership No.055436

**KRYPTON INDUSTRIES
LIMITED**

Balance Sheet as at 31st March, 2017

	Note No.	As at 31/03/2017 (₹ in Thousands)	As at 31/03/2016 (₹ in Thousands)
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	'3'	1,46,971.30	1,46,971.30
Reserves and Surplus	'4'	1,15,054.01	1,53,722.93
		<u>2,62,025.31</u>	<u>3,00,694.23</u>
Non-Current Liabilities			
Long-term Borrowings	'5'	31,449.88	38,797.97
Deferred Tax Liabilities (Net)	'6'	16,115.95	16,435.15
Other Long-term Liabilities	'7'	1,075.69	563.46
		<u>48,641.52</u>	<u>55,796.58</u>
Current Liabilities			
Short-term Borrowings	'8'	1,31,410.62	1,20,856.89
Trade Payables	'9'	64,259.22	52,287.10
Other Current Liabilities	'10'	22,047.60	20,325.00
Short-term Provisions	'11'	1,340.55	1,888.79
		<u>2,19,057.99</u>	<u>1,95,357.77</u>
TOTAL		<u>5,29,724.82</u>	<u>5,51,848.58</u>
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	'12'	1,89,035.37	2,03,710.09
Capital Work in Progress	'13'	1,044.17	950.96
Non-Current Investments	'14'	458.33	425.33
Long-term Loans and Advances	'15'	25,969.27	15,178.51
Other Non-Current Assets	'16'	883.62	1,256.62
		<u>2,17,390.76</u>	<u>2,21,521.52</u>
Current Assets			
Inventories	'17'	1,85,699.28	1,78,802.13
Trade Receivables	'18'	91,358.01	1,03,237.26
Cash and Bank Balances	'19'	8,799.56	16,467.33
Short-term Loans and Advances	'20'	1,100.00	11,369.42
Other Current Assets	'21'	25,377.21	20,450.91
		<u>3,12,334.06</u>	<u>3,30,327.06</u>
TOTAL		<u>5,29,724.82</u>	<u>5,51,848.58</u>

Summary of significant accounting policies '2'

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

JAY SINGH BARDIA
Managing Director
(DIN : 00467932)

VINAY SIPANI
Chief Financial Officer

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

PRADEEP KUMAR SINGH
Director
(DIN : 00386800)

ARTI BOTHRA
Company Secretary

J. P. AGARWAL
PARTNER

Membership No.055436

Place: Kolkata
Dated: The 30th Day of May, 2017

**KRYPTON INDUSTRIES
LIMITED**

Statement of Profit and Loss for the year ended 31st March, 2017

	Note No.	Year Ended 31/03/2017 (₹ in Thousands)	Year Ended 31/03/2016 (₹ in Thousands)
INCOME			
Gross Revenue from Operations	'22'	3,35,626.93	3,86,891.28
Less: Excise Duty		<u>2,032.97</u>	<u>2,907.62</u>
Net Revenue from Operations		3,33,593.96	3,83,983.65
Other Income	'23'	<u>6,331.21</u>	<u>2,281.98</u>
Total Revenues		<u>3,39,925.17</u>	<u>3,86,265.63</u>
EXPENSES			
Cost of Materials Consumed	'24'	1,62,482.81	191,918.66
Purchases of Stock-in-Trade		<u>(0.00)</u>	92.01
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	'25'	5,092.02	(17,318.22)
Employee Benefits Expenses	'26'	66,463.49	64,800.19
Power and Fuel	'27'	11,440.75	13,177.48
Finance Costs	'28'	20,963.72	21,161.02
Depreciation and Amortization expenses	'29'	17,059.53	17,855.96
Other Expenses	'30'	<u>95,334.09</u>	<u>89,715.19</u>
Total Expenses		<u>3,78,836.41</u>	<u>381,402.30</u>
Profit/ (Loss) before Exceptional items and Tax		<u>(38,911.25)</u>	<u>4,863.34</u>
Exceptional Items		-	-
Profit/ (Loss) before Extraordinary items and Tax		<u>(38,911.25)</u>	<u>4,863.34</u>
Extraordinary Items		-	-
Profit before Tax		<u>(38,911.25)</u>	<u>4,863.34</u>
Tax Expenses :	'31'		
Current Tax		76.88	963.46
Deferred Tax		<u>(319.20)</u>	<u>34.18</u>
Profit/ (Loss) for the year		<u>(38,668.93)</u>	<u>3,865.70</u>
Earnings per Equity Share :			
Basic & Diluted EPS (₹)	'36'	(2.63)	0.26
Summary of significant accounting policies	'2'		

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

JAY SINGH BARDIA
Managing Director
(DIN : 00467932)

VINAY SIPANI
Chief Financial Officer

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

PRADEEP KUMAR SINGH
Director
(DIN : 00386800)

ARTI BOTHRA
Company Secretary

J. P. AGARWAL
PARTNER

Place: Kolkata
Dated: The 30th Day of May, 2017

Membership No.055436

**KRYPTON INDUSTRIES
LIMITED**

Cash Flow Statement for the year ended 31st March, 2017

	Year ended 31/03/2017 (₹ in Thousands)	Year ended 31/03/2016 (₹ in Thousands)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	(38,911.25)	4,863.34
Adjustment for :		
Finance Costs	20,963.72	20,642.46
Depreciation and Amortization Expenses	17,059.53	17,855.96
Preliminary Expense Written Off	373.00	373.00
Loss/ (Gain) on sale of fixed assets	-	78.16
Excess Provision for Interest Recievable written off	-	233.80
Sundry Balance written off	(195.81)	(63.04)
Income from Investing Activities	(1,714.39)	(1,539.79)
	36,486.05	37,580.55
Operating profit before working capital changes	(2,425.20)	42,443.89
Changes in working Capital:		
Inventories	(6,897.14)	(15,324.32)
Trade and other Receivables	7,148.77	(4,695.06)
Trade and other payables	13,694.71	8,470.67
Loans and Advances	(521.31)	
Liabilities & Provisions	(112.89)	
	13,312.14	(11,548.71)
Cash generation from Operation	10,886.94	30,895.17
Payment of Direct Taxes	-	(438.01)
Net Cash generated/ (used) - Operating Activities	10,886.94	30,457.16
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(2,384.81)	(4,606.28)
Sale of Investments	-	5.31
Purchase of Investment	(33.0)	-
Capital Work in Progress	(93.21)	(663.92)
Proceeds/ Repayment of Short-term Loans (Net)	-	1,859.32
Decrease in short term provision	-	-
Increase in long term loans and advances and non current asset	-	3,115.93
Decrease in other long term liabilities and other liabilities	-	(659.93)
Interest Received	1,714.39	272.55
Net Cash Generated/ (Used) - Investing Activities	(796.63)	(677.02)

**KRYPTON INDUSTRIES
LIMITED**

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds/ Repayment of Long-term Borrowings (Net)	(7,348.09)	(2,521.06)
Proceeds/ Repayment of Short-term Borrowings (Net)	9,282.38	(8,245.50)
Finance Cost Paid	(19,692.37)	(20,668.06)
Dividend Paid (includes amount transferred to Investor Education & Protection Fund)	-	-
Net Cash Generated/ (Used) - Financing Activities	<u>(17,758.08)</u>	<u>(31,434.62)</u>
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	<u>(7,667.77)</u>	<u>(1,654.48)</u>
Add : Opening Cash and Cash Equivalents	16,467.33	18,121.81
Closing Cash and Cash Equivalents (Refer Note no. 19)	<u>8,799.56</u>	<u>16,467.33</u>

Notes:

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

JAY SINGH BARDIA
Managing Director
(DIN : 00467932)

VINAY SIPANI
Chief Financial Officer

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

PRADEEP KUMAR SINGH
Director
(DIN : 00386800)

ARTI BOTHRA
Company Secretary

J. P. AGARWAL
PARTNER

Membership No.055436

Place: Kolkata
Dated: The 30th Day of May, 2017

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2017

1. 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, 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.

2. SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF ACCOUNTING

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the Act").

The financial statements have been prepared on accrual basis under the historical cost convention, except stated otherwise. The financial statements are presented in Indian Rupees rounded off to two decimal places, wherever necessary.

b) USE OF ESTIMATES

The preparation of the financial statements in conformity with GAAP requires estimates, judgements and assumptions to be made to affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

c) FIXED ASSETS

Tangible Assets

All Tangible Fixed Assets are valued at Cost less accumulated Depreciation. Direct costs are capitalized until assets are ready for use. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard performance.

Capital work-in-progress comprises of cost of Fixed Asset that are not ready for its intended use at the reporting date.

Significant components of assets having a life shorter than the main asset, if any are depreciated over the shorter life.

Intangible Assets

The Company owns no intangible assets.

d) DEPRECIATION

- (i) Depreciation on Fixed assets is provided on the straight line method over the estimated useful lives of assets.
- (ii) The company depreciates its Fixed Assets over the useful life in the manner prescribed in schedule II of the Act.
- (iii) Depreciation on fixed assets is accounted for on pro-rata basis with reference to date of use / disposal.

Notes to the Financial Statements as at and for the year ended 31st March 2017

e) INVENTORIES

- (i) Finished Goods - At cost or net realizable value, whichever is lower.
- (ii) Trading Goods - At cost or net realizable value, whichever is lower.
- (iii) Raw Materials, Stores, Spare Parts, Packing Materials & Work-In-Progress - At cost.
- (iv) Raw Material: Upper (Produced) - At Cost

The excise duty in respect of closing inventory of finished goods is included as part of finished goods. Cost formulae used are 'First-in-First-out', 'Weighted Average cost' or 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

f) EMPLOYEE BENEFITS

- (i) **Short Term Employee Benefits (i.e. benefits payable within one year)** : These are recognized in the period in which employee services are rendered.
- (ii) **Post Employment and other Long Term Employee Benefit (Defined Contribution Plan)** : A Defined Contribution Plan is a post - employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund (including Pension Fund) and Employees' State Insurance. The Company's contribution is recognized as an expense in the Profit and Loss Statement during the period in which the employee renders the related service

In respect of Gratuity, the Company's contribution to the Group Gratuity - cum - Life Insurance Scheme under Cash accumulation System of Life Insurance Corporation of India is charged against the revenue, on receipt of demand.

g) PROVISIONS AND CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions : Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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 or a reliable estimate of the amount cannot be made.

Contingent Assets : Contingent Assets are neither recognised or disclosed in the financial statements.

h) FOREIGN CURRENCY TRANSACTIONS

- (i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- (ii) Monetary items denominated in foreign currencies, if any at the year end are restated at year end rates
- (iii) Non monetary foreign currency items are carried at cost.
- (iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2017

i) RECOGNITION OF INCOME AND EXPENDITURE

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

j) INVESTMENTS

Investments, which are readily realisable and intended to be held for not more than one year the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. The portion of long term investment expected to be realised within twelve months after the reporting date are disclosed under current investments as per the requirement of Schedule III. Current Investments are carried at Cost or Fair Value, whichever is lower. Non - Current Investments are carried at Cost.

k) BORROWING COSTS

Borrowing Costs that are attributable to acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for intended use. All other borrowing costs are recognized in the period to which they relate and charged to Statement of Profit and Loss.

l) TAXATION

Tax Expenses comprise of both Current Tax, and Deferred Tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates.

Deferred tax assets and liabilities arising on account for timing differences, which are capable of reversal in subsequent periods are recognised only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax can be realized using tax rates and tax laws, which have been enacted or substantively enacted by the Balance Sheet Date.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date

Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

m) SEGMENT REPORTING

The Company identifies primary segments based on the pre-dominant sources of risk effects and returns depending on organization and of the management and internal financial reporting system. The operating segments are the segments for which separate financial information are available and operating profit/loss there from are evaluated regularly by the management for allocation of resources and assessment of performance.

Revenue, expenses, assets and liabilities which relate to the company as a whole which are not allocable to segments on direct and/or reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities"

n) EARNINGS PER SHARE

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

**KRYPTON INDUSTRIES
LIMITED**

Notes to the Financial Statements as at and for the year ended 31st March 2017

	As at 31/03/2017 (₹ in Thousands)	As at 31/03/2016 (₹ in Thousands)
3. Share Capital :		
Authorized Shares :		
2,16,00,000 (Previous year 2,16,00,000)		
Equity Shares of ₹ 10 each	<u>216,000.00</u>	<u>216,000.00</u>
Issued, Subscribed and Paid-up Shares :		
1,46,97,130 (Previous year 1,46,97,130)		
Equity Shares of ₹ 10 each of fully paid	<u>146,971.30</u>	<u>146,971.30</u>

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

Particulars	2016-17		2015-16	
	Numbers	(₹ Thousands)	Numbers	(₹ Thousands)
Equity Shares outstanding at the beginning of the year	1,46,97,130	1,46,971.30	1,46,97,130	1,46,971.30
Equity Shares outstanding at the end of the year	1,46,97,130	1,46,971.30	1,46,97,130	1,46,971.30

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 31/03/2017		As at 31/03/2016	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
Jay Singh Bardia	15,38,550	10.47%	15,38,550	10.47%
Panna Lal Bardia	15,84,944	10.78%	15,84,944	10.78%

D. Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five year immediately preceding the reporting date :

Particulars	Year ended				
	31/3/2017	31/3/2016	31/3/2015	31/3/2014	31/3/2013
Number of equity shares issued under merger/amalgamation	-	-	-	-	30,86,050

**KRYPTON INDUSTRIES
LIMITED**

Notes to the Financial Statements as at and for the year ended 31st March 2017

		As at 31/03/2017 (₹ in Thousands)	As at 31/03/2016 (₹ in Thousands)
4. Reserves and Surplus :			
a) General Reserve	(A)	5,707.51	5,707.51
b) Securities Premium Account	(B)	<u>36,553.40</u>	<u>36,553.40</u>
c) Surplus/ (deficit) in the Statement of Profit and Loss			
Opening Balance		1,11,462.02	1,07,596.32
Add: Profit/(loss) for the year		(38,668.93)	3,865.70
Less: Adjustment as per Schedule II to the Companies Act, 2013 (Refer Note No. 12)		-	-
Net surplus / (deficit) in the statement of profit & Loss	(C)	<u>72,793.09</u>	<u>1,11,462.02</u>
Total Reserve and Surplus (A+B+C)		<u>1,15,054.00</u>	<u>1,53,722.93</u>

5. Long-term Borrowings

	Non Current Maturities		Current Maturities	
	31.03.2017 (₹ Thousands)	31.03.2016 (₹ Thousands)	31.03.2017 (₹ Thousands)	31.03.2016 (₹ Thousands)
Term Loans :				
From Banks (Secured)	3,447.04	6,177.96	2,700.00	2,700.00
From Related Parties (Unsecured) (Refer Note No. 38)	6,918.30	6,918.30	-	-
From Other Parties (Unsecured)	20,812.23	24,821.67	11,309.62	12,445.01
Car Loan (Secured)	<u>272.31</u>	<u>880.04</u>	<u>609.35</u>	<u>1,128.79</u>
	31,449.88	38,797.97	14,618.97	16,273.80
Secured Borrowings	3,719.35	7,058.00	3,309.35	3,828.79
Unsecured Borrowings	27,730.53	31,739.97	11,309.62	12,445.01
Amount disclosed under the head Short term borrowings "(Refer Note No. 8)"	-	-	(14,618.97)	(16,273.80)
	<u>31,449.88</u>	<u>38,797.97</u>	<u>-</u>	<u>-</u>

- A. The Car Loan from Bank of Baroda of Wheel Division was taken during the Financial Period 2015-16 and carries interest base rate + 0.25% at a floating rate with monthly rests. The loan is repayable in 36 EMLs of ₹14,494/- starting one month after the date of disbursement. This loan is secured by hypothecation of the Car.
- B. Car loan from BANK OF BARODA, IBB Branch of Tyre Division was taken during the financial year 2014-2015 and carries interest @ 10.25 % + 0.25% p.a. the loan is repayable in 36 monthly installment of ₹32.50 (in '000), inclusive of interest from the date of loan. The car loan is secured by hypothecation of Renault Duster Car.

Notes to the Financial Statements as at and for the year ended 31st March 2017

- C. Car loan from BANK OF BARODA, IBB Branch of Tyre Division was taken during the financial year 2014-2015 and carries interest @ (10.25+0.25)% p.a. the loan is repayable in 24 monthly installment of ₹16.26 (in '000), inclusive of interest from the date of loan. The car loan is secured by hypothecation of Swift Dzire Car.
- D. Car Loan from BOB, IBB Branch of Tyre Division was taken during the FY 2015-16 and carries interest @ 9.65+.25% p.a. the loan is repayable in 36 monthly installment of ₹19.33 (in '000) inclusive of interest from the date of loan. The car loan is secured by hypothecation of Hyundai I 20.
- E. The Term Loan from The Federal Bank Ltd. of Sadhurhat Division 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

	As at 31/03/2017 (₹ in Thousands)	As at 31/03/2016 (₹ in Thousands)
6. <u>Deferred Tax Liabilities (Net)</u>		
Deferred Tax Liabilities		
Opening Balance	16,435.15	16,400.97
Related to Fixed Assets and Amortization Expenses	(319.20)	34.18
Deferred Tax Liabilities (Net)	16,115.95	16,435.15
7. <u>Other Long-term Liabilities</u>		
Trade Payables	675.69	559.56
Other Liabilities	-	3.90
Security Deposit Received	400.00	-
	1,075.69	563.46
8. <u>Short-term Borrowings</u>		
Cash Credit (Secured)	80,356.79	81,115.54
Packing Credit (Secured)	38,746.66	36,965.39
Foreign Bills Purchased	-	2,775.96
Buyer's Credit balances	12,307.17	-
	131,410.62	120,856.89

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2017

- A. The Packing Credit from Bank of Baroda of Tyre Division has been reviewed during the financial year 2016-17 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 15/07/2016).
- B. The cash credit from Bank of Baroda of Footwear Division was renewed during the financial year 2016-17 and carries floating interest @ 1 year MCLR + strategic premium + 2.40% p.a. with monthly rests (as per Sanction Letter dated 15.07.2016) with a Limit of ₹450 Lacs. The loan is repayable as per term each along with interest from the date of loan. The loan is secured by hypothecation of both present and future stock of raw material, work in progress, finished goods ,consumable spares , hypothecation of book debts, D.P. Note, Letter of Continuing Security. The loan is further secured by Equitable Mortgage on Leasehold rights on Land and structure/ building at Falta, along with Plant and Machinery thereon, Lien on FDR, Assignment of Keyman LIP, and is further secured by personal guarantee of Mr J.S Bardia , the Managing Director of the company and Mr. T.S Gulgulia.
- C. The cash credit from The Federal Bank Ltd. of Sadhurhat Division was sanctioned during the financial year 2015-16 and carries floating interest @ Base Rate + 3.65% p.a. with monthly rests (as per Sanction Letter dated 13.08.2015) 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.
- D. The Cash credit from Bank of Baroda of Wheel Division was renewed during the financial year 2016-17 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 15/07/2016)

**KRYPTON INDUSTRIES
LIMITED**

Notes to the Financial Statements as at and for the year ended 31st March 2017

	As at 31/03/2017 (₹ in Thousands)	As at 31/03/2016 (₹ in Thousands)
9. Trade Payables		
Payable to Micro, Small and Medium Enterprises	-	-
Payable to Entities (Other than Micro, Small and Medium Enterprises)	64,259.22	52,287.10
	64,259.22	52,287.10
10. Other Current Liabilities		
Bank Overdraft	670.53	-
Current Maturities of Long term borrowings (Refer Note No. 5 above)	14,618.97	16,273.80
Interest accrued and due on borrowings	129.70	60.75
Customers' Credit Balances and Advances against orders	3,878.99	2,134.13
Statutory dues Payables		
Tax deducted at source payable	339.18	452.33
Provident Fund , ESI , and other Government Charges	710.49	777.93
Excise Duty Payable	38.49	38.49
WB Professional Tax Payable	4.66	3.24
Duties and Taxes	1,323.19	579.32
Outstanding Bills	-	-
Other Liabilities	333.40	5.01
	22,047.60	20,325.00
	As at 31/03/2017 (₹ in Thousands)	As at 31/03/2016 (₹ in Thousands)
11. Short-term Provisions		
Provision for Current Tax	1,340.55	1,888.79
12. Tangible Assets		
A. Summary of cost and net carrying amount of each class of tangible assets are given below:		

	Cost		Accumulated Depreciation		Net Carrying Amount	
	31/03/2017 (₹ Thousands)	31/03/2016 (₹ Thousands)	31/03/2017 (₹ Thousands)	31/03/2016 (₹ Thousands)	31/03/2017 (₹ Thousands)	31/03/2016 (₹ Thousands)
Freehold Land	14,392.03	14,392.03	-	-	14,392.03	14,392.03
Buildings	108,552.95	108,552.95	28,589.30	25,016.67	79,963.65	83,536.28
Plant and Machinery	187,226.63	185,725.77	108,189.25	98,135.94	79,037.38	87,589.83
Furniture and Fixtures	11,222.90	11,222.90	7,146.99	6,417.45	4,075.91	4,805.45
Electrical Installations	15,421.21	14,722.09	9,225.04	8,007.57	6,196.17	6,714.52
Vehicles	10,297.28	10,297.28	5,821.96	4,597.58	4,475.32	5,699.70
Office Equipment	6,112.15	5,927.32	5,304.81	5,144.50	807.34	782.82
Computer	693.62	693.62	606.06	504.16	87.56	189.46
	353,918.77	351,533.96	164,883.40	147,823.87	189,035.37	203,710.09

(a) Reconciliation of the gross and net carrying amounts of assets at the beginning and year ending 31/03/2017 are as under:

	As at 31/03/2016 (₹ Thousands)	Additions (₹ Thousands)	Disposals (₹ Thousands)	Other Adjustments (₹ Thousands)	As at 31/03/2017 (₹ Thousands)
Freehold Land	14,392.03	-	-	-	14,392.03
Buildings	108,552.95	-	-	-	108,552.95
Plant and Machinery	185,725.77	1,500.86	-	-	187,226.63
Furniture and Fixtures	11,222.90	-	-	-	11,222.90
Electrical Installations	14,722.09	699.12	-	-	15,421.21
Vehicles	10,297.28	-	-	-	10,297.28
Office Equipment	5,927.32	184.83	-	-	6,112.15
Computer	693.62	-	-	-	693.62
	351,533.96	2,384.81	-	-	353,918.77
Previous Year	347,579.30	5,722.27	1,767.61	-	351,533.96

**KRYPTON INDUSTRIES
LIMITED**

Notes to the Financial Statements as at and for the year ended 31st March 2017

Accumulated Depreciation	As at	Additions	Adjustment as per	Deductions/	As at
	31/03/2016		Schedule II to the	Other	31/03/2017
	(₹ Thousands)	(₹ Thousands)	Companies Act, 2013	Adjustments	(₹ Thousands)
Buildings	25,016.67	3,572.63	-	-	28,589.30
Plant and Machinery	98,135.94	10,053.31	-	-	108,189.25
Furniture and Fixtures	6,417.45	729.54	-	-	7,146.99
Electrical Installation	8,007.57	1,217.47	-	-	9,225.04
Vehicles	4,597.58	1,224.38	-	-	5,821.96
Office Equipment	5,144.50	160.31	-	-	5,304.81
Computer	504.16	101.90	-	-	606.06
	147,823.87	17,059.53	-	-	164,883.40
Previous Year	131,087.04	17,855.96	-	1,119.13	147,823.87

As at
31/03/2017
(₹ in Thousands)

As at
31/03/2016
(₹ in Thousands)

13. Capital Work-in-Progress

Plant & Machinery	1,044.17	950.96
	1,044.17	950.96

14. Non-Current Investments

Investments (Non-Trade)

Investments in Equity Instruments (Unquoted) - (a)	202.00	202.00
Investments in Others		
Gold Coins	256.33	223.33
	458.33	425.33

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

	Face value per Unit	As at 31/03/2017		As at 31/03/2016	
		Numbers	(₹ Thousands)	Numbers	(₹ Thousands)
(a) Investments in Equity Instruments (Unquoted)					
Krypton Developers Limited	Others ₹ 10	9,400	94.00	9,400	94.00
I Care International Pvt. Ltd	Others ₹ 10	10,800	108.00	10,800	108.00
		20,200	202.00	20,200	202.00

**KRYPTON INDUSTRIES
LIMITED**

Notes to the Financial Statements as at and for the year ended 31st March 2017

		As at 31/03/2017 (₹ in Thousands)	As at 31/03/2016 (₹ in Thousands)
15. Long-term Loans and Advances :			
Capital Advances			
<i>Unsecured, Considered Good</i>			
	(A)	<u>643.00</u>	<u>643.00</u>
Security Deposits and interest on security deposits			
<i>Unsecured, Considered Good</i>			
	(B)	<u>1,651.76</u>	<u>1,126.76</u>
Advance Tax (including FBT	(C)	<u>-</u>	<u>-</u>
Income Tax Deducted at Source	(D)	<u>3,586.01</u>	<u>3,251.41</u>
<i>Unsecured, Considered Good</i>			
Loans and Advances to Related Parties			
<i>Unsecured, Considered Good (Advance against Managerial Remuneration)- Refer Note No. 38</i>	(E)	<u>-</u>	<u>8,091.23</u>
Loans and Advances to others			
<i>Unsecured, Considered Good</i>	(F)	<u>20,088.50</u>	<u>2,066.11</u>
Total (A+B+C+D)		<u><u>25,969.27</u></u>	<u><u>15,178.51</u></u>
16. Other Non-Current Assets :			
Long Term Trade Receivables			
<i>Unsecured, Considered Good</i>	(A)	<u>883.62</u>	<u>883.62</u>
Unamortized Expenses	(B)	<u>-</u>	<u>373.00</u>
Total (A+B)		<u><u>883.62</u></u>	<u><u>1,256.62</u></u>
17. Inventories :			
Raw Materials		62,100.24	52,744.50
Work-in-Progress		17,352.81	22,242.31
Consumable Stores		2,499.27	2,352.93
Finished Goods		73,120.16	71,040.92
Stock-in-Trade		1,597.19	1,695.86
Stores and Spares		12,732.68	10,806.42
Upper (produced Raw Material)		15,024.18	17,207.27
Packing Material		1,272.75	711.92
		<u><u>185,699.28</u></u>	<u><u>178,802.13</u></u>

**KRYPTON INDUSTRIES
LIMITED**

Notes to the Financial Statements as at and for the year ended 31st March 2017

	As at 31/03/2017 (₹ in Thousands)	As at 31/03/2016 (₹ in Thousands)
18. Trade Receivables		
Outstanding for a period exceeding six months <i>Unsecured, Considered Good</i>	29,255.83	31,960.11
Outstanding for a period less than six months <i>Unsecured, Considered Good</i>	<u>62,102.18</u>	<u>71,277.15</u>
	91,358.01	1,03,237.26
19. Cash and Bank Balances :		
Cash and Cash Equivalents		
Deposits maturing within 12 months	7,204.40	6,150.36
Balance with Banks:		
Current Account	157.70	2,829.60
Cash on hand	1,430.46	5,899.73
	(A) 8,792.56	14,879.69
Other Balances		
Balance with Banks :		
Margin Money Account	7.00	32.52
Balances/Deposits with Banks maturing after 12 months	-	1,555.12
	(B) 7.00	1,587.64
Total (A+B)	8,799.56	16,467.33
20. Short-term Loans and Advances		
Loans and Advances to Related Parties		
Unsecured, Considered Good (Advance against Managerial Remuneration) (Refer Note No. 38)	-	-
Loans and Advances to Others		
Unsecured, Considered Good	-	10,268.42
	(A) -	10,268.42
Advance Tax (including FBT)	(B) 1,100.00	1,101.00
Input VAT	(C) -	-
Advance FSEZ Rent	(D) -	-
Income Tax Deducted at Source		
Unsecured, Considered Good	(E) -	-
Total (A+B+C+D)	1,100.00	11,369.42
21. Other Current Assets		
Prepaid Expenses	86.49	-
Duties and taxes	16,367.14	15,344.49
Advance against Salary & Wages	655.61	291.30
Advance to Suppliers	8,123.07	2,143.65
Others	144.90	2,671.47
	25,377.21	20,450.91

**KRYPTON INDUSTRIES
LIMITED**

Notes to the Financial Statements as at and for the year ended 31st March 2017

	For year ended 31/03/2017 (₹ in Thousands)	For year ended 31/03/2016 (₹ in Thousands)
22. Revenue from Operations:		
Sale of Products		
M.C.P. Tyres & Armrest - Overseas	81,979.95	82,300.05
M.C.P. Tyres & Armrest - Exports	10,189.97	7,824.00
M.C.P. Tyres & Armrest - Domestic	90,445.83	98,905.01
Plastic Rim with Tyre & Components - Overseas	-	5,877.72
Trading Goods - Domestic	-	195.32
Raw Material - Domestic	-	90.56
P.U. Shoe Sole - Domestic	35,995.09	51,041.25
P.U. Sandles - Domestic	8,682.31	29,320.41
Wheel Chair Parts - Overseas	-	-
Hospital Equipments - Domestic	781.21	564.91
Wheel Chair - Domestic	73,491.65	90,926.74
Crutch and Walking Aids - Domestic	5,599.16	3,819.46
Upper - Domestic	-	-
Spares - Domestic	11,590.01	3,231.28
Commode Chairs - Domestic	3,627.49	2,564.36
Consumable Stores - Overseas	-	-
Sale of Services		
Job Work charges	13,230.84	10,205.70
Other Operating Revenues	4.77	
Scrap Sales	8.65	24.50
Gross Revenue from Operations	335,626.93	386,891.28
Less: Excise Duty	2,032.97	2,907.62
Net Revenue from Operations	333,593.96	383,983.66
23. Other Income:		
Sundry balances written off	195.81	(170.71)
Sale of Rejected Material	604.59	-
Interest on Bank Deposits (a)	664.58	73.80
Interest on Others (a)	1,049.81	1,465.99
Gain/Loss on Sale of Duty Scrips	94.76	-
Profit on Sale of Mutual Fund	-	-
Insurance Claim	1,001.78	-
Rent Received (a)	2,122.00	-
Discount Received	36.41	-
Prior Period Items (Net) - (b)	-	(4.84)
MEIS Scheme	474.20	-
Service Tax Refund	19.22	167.24
Other Non-Operating Income	68.05	750.50
	6,331.21	2,281.98
(a) Interest Income on Bank deposits includes tax deducted at source amounting ₹59.91 (in '000) [Previous year ₹226.54 (in '000)] Interest Income on Others includes tax deducted at source amounting ₹101.75 (in '000)		
Rent Received includes TDS amounting to ₹ 212.20 ('000) (Previous Year ₹ NIL ('000)		
(b) Details of Prior Period Items (Net)		
Prior Period Income	-	-
Prior Period Expenses	-	(4.84)
	-	(4.84)

**KRYPTON INDUSTRIES
LIMITED**

Notes to the Financial Statements as at and for the year ended 31st March 2017

	For year ended 31/03/2017 (₹ in Thousands)	For year ended 31/03/2016 (₹ in Thousands)
24. Cost of Materials Consumed :		
Raw Material		
Opening Stock	52,744.50	58,144.96
Add: Purchased	<u>171,838.55</u>	<u>191,572.15</u>
	224,583.05	249,717.11
Less: Cost of material sold	-	<u>5,053.95</u>
	224,583.05	244,663.16
Less: Closing Stock	<u>62,100.24</u>	<u>52,744.50</u>
	<u>162,482.81</u>	<u>191,918.66</u>
25. Changes in Inventories:		
Opening Inventories		
Work-in-Progress	22,242.31	20,862.29
Finished Goods	71,040.92	55,619.94
Upper (Produced Raw Material)	17,207.27	16,588.72
Stock-in-Trade	<u>1,695.86</u>	<u>1,797.19</u>
	<u>112,186.36</u>	<u>94,868.14</u>
Less: Closing Inventories		
Work-in-Progress	17,352.81	22,242.31
Finished Goods	73,120.16	71,040.92
Upper (Produced Raw Material)	15,024.18	17,207.27
Stock-in-Trade	<u>1,597.19</u>	<u>1,695.86</u>
	<u>107,094.34</u>	<u>112,186.36</u>
	5,092.02	(17,318.22)
Add: Increase/ Decrease of Excise Duty on Inventories	-	-
Changes in Inventories	<u>5,092.02</u>	<u>(17,318.22)</u>
26. Employee Benefits Expenses :		
Salaries and Wages	59,102.27	55,884.85
Contribution to Provident and other Funds	4,817.55	5,790.97
Employee Welfare	<u>2,543.67</u>	<u>3,124.37</u>
	<u>66,463.49</u>	<u>64,800.19</u>
27. Power and Fuel :		
Power and Fuel	<u>11,440.75</u>	<u>13,177.48</u>
28. Finance Costs :		
Interest Expenses		
Bank	19,581.75	20,574.96
Others	76.61	67.50
Other Expenses	<u>1,305.36</u>	<u>518.56</u>
	<u>20,963.72</u>	<u>21,161.02</u>
29. Depreciation and Amortization Expenses :		
Depreciation and Amortization Expenses	<u>17,059.53</u>	<u>17,855.96</u>

**KRYPTON INDUSTRIES
LIMITED**

Notes to the Financial Statements as at and for the year ended 31st March 2017

	For year ended 31/03/2017	For year ended 31/03/2016
	(₹ in Thousands)	(₹ in Thousands)
30. Other Expenses		
Annual Incentive to Customers	2,217.23	1,033.32
AGM Expenses	218.89	-
Auditor's Remuneration - (a)	548.27	506.39
Bank Charges	1,124.76	813.71
Branch Expenses	-	30.14
Commission and Brokerage	1,122.60	995.13
Computer Software Charges	-	10.80
Consumption of Stores and Spares	25,250.84	30,304.60
Cost of Consumables Sold	-	35.08
Cost of Raw Material Sold	-	5,053.95
Donation	193.63	777.20
Discount Allowed (Net)	4,851.51	3,461.64
Freight, Cartage and Forwarding Expenses (Net)	32,679.79	20,531.29
(Gain)/Loss on foreign currency transactions and translation (Net) (Refer Note No. 34)	250.42	1,425.07
Insurance	646.18	922.28
Interest paid on Late Payment of VAT/CST	0.56	-
Job Work Charges	5,877.57	2,383.41
Labour Charges	-	4.10
Managerial Remuneration & Director sitting fees	3,012.50	3,010.00
Miscellaneous Expenses	1,226.60	1,933.18
Other Repairs & Maintenance	291.87	291.36
Penal Interest on Term Loan & Interest on late payment	0.73	0.05
Preliminary Expenses Written off	373.00	373.00
Printing & Stationery	366.68	416.74
Processing Charges	134.86	468.22
Professional Fees	1,357.85	1,840.07
Rates and Taxes	2,080.02	1,596.15
Rent	2,893.85	3,161.05
Repairs to Buildings	4.20	71.03
Repairs to Machinery	1,527.30	876.84
Reversal of ITC for Stock Transfer	-	-
Sales Promotion Expenses	1,593.62	2,415.13
Security Charges	678.31	-
Telephone, Telegram & Postage	996.23	907.98
Travelling and Conveyance Expenses	2,647.69	2,979.58
Vehicle Running & Maintenance Expenses	1,124.26	1,044.46
West Bengal Pollution Control Expenses	42.25	42.25
	95,334.09	89,715.19
(a). Details of Auditor's Remuneration are as follows:		
Statutory Auditors:		
Audit Fees	300.00	347.93
Stock Audit Fees	-	-
Tax and Vat Audit	80.00	80.13
Other Services	168.27	78.33
	548.27	506.39
31. Tax Expenses		
Current Tax		
Current Tax for the year	-	963.46
Current Tax Paid for earlier years	76.88	-
	76.88	963.46
Deferred Tax		
Deferred Tax for the year	(319.20)	34.18

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2017

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

A. Raw Materials Consumed :

Items	Imported		Indigenous		Consumed	
	31/03/2017 (₹ Thousands)	31/03/2016 (₹ Thousands)	31/03/2017 (₹ Thousands)	31/03/2016 (₹ Thousands)	31/03/2017 (₹ Thousands)	31/03/2016 (₹ Thousands)
1 Additive	127.20	23.55	1,412.93	3,449.53	1,540.13	3,473.08
2 Ancillary	-	-	642.32	291.44	642.32	291.44
3 Bearings & Components	3,918.97	3,969.82	-	-	3,918.97	3,969.82
4 Colour	334.63	449.21	2,699.58	4,641.31	3,034.21	5,090.52
5 Components	12,682.37	12,126.05	10,209.40	7,427.54	22,891.77	19,553.59
6 Dacon Yarn	3,776.87	3,310.84	-	-	3,776.87	3,310.84
7 DBTDL	-	-	28.08	37.45	28.08	37.45
8 DMF	-	-	27.46	12.26	27.46	12.26
9 DOP	-	-	12.97	24.14	12.97	24.14
10 Durathen	-	-	4,626.86	4,563.39	4,626.86	4,563.39
11 ISO (Isocynate, Lupranate, Suprasec)	34,480.03	32,201.35	12,124.50	20,121.08	46,604.53	52,322.43
12 Meg	-	163.58	1,850.78	1,020.70	1,850.78	1,184.28
13 Metal Bars	-	-	199.25	54.30	199.25	54.30
14 Metal Pipes & Bars	-	-	10,263.02	1,042.73	10,263.02	1,042.73
15 Metal Plate & Others	-	-	1,878.26	3,713.00	1,878.26	3,713.00
16 Metal Sheets & Pipes	-	-	7,812.11	13,026.58	7,812.11	13,026.58
17 Methylene Chloride (MCL)	-	16.31	491.13	722.62	491.13	738.93
18 Moplen EP 332K	3,057.72	3,016.42	-	437.50	3,057.72	3,453.92
19 Others	-	-	3,562.69	7,607.80	3,562.69	7,607.80
20 Plastic Dana & Master Batch	-	-	85.29	162.33	85.29	162.33
21 Polyol	29,416.44	38,640.50	5,654.72	19,946.33	35,071.16	58,586.83
22 PPGF	-	-	2,220.80	3,864.00	2,220.80	3,864.00
23 PPCP	-	-	2,621.33	536.49	2,621.33	536.49
24 Elastopan/Bayflex	-	-	741.45	-	741.45	-
25 Release Agent	-	13.79	918.97	1,543.32	918.97	1,557.11
26 Silicon	306.01	268.56	17.78	88.90	323.79	357.46
27 Triethelene Diamine	-	-	106.80	679.94	106.80	679.94
28 Ultramid	-	3.38	4,002.36	2,497.23	4,002.36	2,500.61
29 Wheels (Tyres)	108.41	56.99	-	-	108.41	56.99
30 Wacker	-	-	52.58	146.40	52.58	146.40
31 Simpark	-	-	10.74	-	10.74	-
	88,208.65	94,260.35	74,274.16	97,658.31	162,482.81	191,918.66

B. Traded Goods :

Products	Purchases		Sales		Opening Stock		Closing Stock	
	2016-17 (₹Thousands)	2015-16 (₹Thousands)	2016-17 (₹Thousands)	2015-16 (₹Thousands)	2016-17 (₹Thousands)	2015-16 (₹Thousands)	2016-17 (₹Thousands)	2015-16 (₹Thousands)
1 Mounting tools	-	-	-	-	159.23	159.23	159.23	159.23
2 Rim Wheel	-	-	-	-	1.19	1.19	1.19	1.19
3 P.P. Rim	-	-	-	-	7.56	7.56	7.56	7.56
4 Wheel Chair	-	-	-	-	49.78	49.78	49.78	49.78
5 Hinge	-	-	-	-	53.50	53.50	53.50	53.50
6 Aluminium Spacer	-	-	-	-	0.64	0.64	0.64	0.64
7 Tyre Arm Rest & Others	-	-	-	-	897.82	897.82	897.82	897.82
8 Wheels	-	-	-	-	38.55	38.55	38.55	38.55
9 Chappal / Sandal	-	92.01	-	195.32	487.60	588.92	388.93	487.60
10 Wacker Fluid	-	-	-	-	-	-	-	-
11 Capital Goods removed as Such #	-	-	-	90.56	-	-	-	-
	-	92.01	-	285.88	1,695.86	1,797.19	1,597.19	1,695.86

Note : Change in Value of Chappal / Sandal is on account of diminution in value of closing stock

P. Y. : Capital Goods removed as such includes Raw material of ₹10.08 (in '000)

Notes to the Financial Statements as at and for the year ended 31st March 2017

C. Manufactured Goods

Products	Sales*		Opening Stock		Closing Stock	
	2016-17 (₹ Thousands)	2015-16 (₹ Thousands)	2016-17 (₹ Thousands)	2015-16 (₹ Thousands)	2016-17 (₹ Thousands)	2015-16 (₹ Thousands)
1 MCP Tyres/Wheel chair parts (including 'B' Grade Tyres)	182,615.75	189,029.06	50,596.10	37,460.30	50,338.47	50,596.10
2 Plastic Rim With Tyres	-	5,877.72	3,074.53	2,696.51	2,775.20	3,074.53
3 Fork (Including Component)	-	-	2,339.73	1,233.02	3,414.49	2,339.73
4 Pu Shoe Sole	33,962.84	48,136.35	869.22	644.59	2,053.73	869.22
5 Pu Sandal/Chappal	8,682.31	29,320.41	5,239.39	6,408.15	2,849.50	5,239.39
6 Wheel Chairs & Commode Chairs	77,119.14	93,491.11	7,209.74	3,866.45	9,640.99	7,209.74
7 Crutches & Walking Stick	5,599.16	3,819.46	451.81	267.27	744.83	451.81
8 Metal Parts (Including Rims)	11,590.01	3,231.28	1,206.10	1,544.79	1,206.10	1,206.10
9 Hospital Equipments & Components	781.21	564.91	54.30	91.15	96.85	54.30
10 Wheel Chair Parts	-	-	-	1,407.71	-	-
11 Upper	-	-	17,207.27	16,588.72	15,024.18	17,207.27
	320,350.41	373,470.30	88,248.19	72,208.66	88,144.34	88,248.19

* Sales excludes Excise Duty of ₹ 2032.25 (in '000) [Previous Year ₹ 2904.90 (in '000)]

D. Work-in-Progress

	Year ended 31/03/2017		Year ended 31/03/2016	
	Opening (₹ Thousands)	Closing (₹ Thousands)	Opening (₹ Thousands)	Closing (₹ Thousands)
1 Raw Material	3,866.74	3,519.07	3,039.31	3,866.74
2 PU Shoe Sole	3,736.07	3,508.53	9,520.20	3,736.07
3 PU Sandal	8,709.76	5,024.08	3,592.99	8,709.76
4 Wheel Chair Parts	4,580.14	5,165.06	2,928.50	4,580.14
5 Upper	1,349.60	136.07	1,781.29	1,349.60
	22,242.31	17,352.81	20,862.29	22,242.31

33. Contingent Liabilities and Commitments

	As at 31/03/2017 (₹ in Thousands)	As at 31/03/2016 (₹ in Thousands)
Contingent Liabilities		
(a) Bank Guarantee given in favour of WBSEB and superintending Engineering	3,207.30	2,528.30
(b) Income Tax Demands	1,433.51	1,433.51
(c) Sales Tax Demands	5,014.93	5,014.93
(d) Other money for which the Company is contingently liable:		
i. Export Bills discounted with Banks	-	2,775.96
ii. Letter of Credit	-	5,427.16

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

	Year ended 31/03/2017 (₹ in Thousands)	Year ended 31/03/2016 (₹ in Thousands)
Loss on Foreign Currency Transactions and Translations	1728.42	2397.48
Gain on Foreign Currency Transactions and Translations	1478.00	972.41
(Gain)/Loss on Foreign Currency Transactions and Translations (Net)	250.42	1,425.07

KRYPTON INDUSTRIES LIMITED

Notes to the Financial Statements as at and for the year ended 31st March 2017

35. Foreign Currency Risks

	As at 31/03/2017 (₹ in Thousands)	As at 31/03/2016 (₹ in Thousands)
In USD :		
Trade Receivable	10,251.84	18,836.88
Trade Payable	9,477.65	4,195.41

36. Details of Lessing Agreements

The Company has entered into cancellable operating lease arrangement for its stores and office premises. Operating lease rentals charged to Statement of Profit and Loss aggregate to ₹ Nil ('000) [P. Y. NIL ('000)]

37. Disclosure on Specified Bank Note

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R.308(E) dated 30 March, 2017 on the details of specified Bank Notes (SBN) held and transacted during the period from 08 November, 2016 to 30 December, 2016 the denomination wise SBNs and other notes as per the notification is given below :-

	SBNs	Other Denomatikon notes	Total (₹)
Closing Cash in hand as on 08 November 2016	24,29,809.00	41,37,627.28	65,67,436.28
(+) Permitted receipts	-	49,319.00	49,319.00
(-) Permitted Payment	12,73,809.00	10,35,965.00	23,09,774.00
(-) Amount deposited into bank	11,56,000.00	-	11,56,000.00
Closing cash in hand as on 30 December 2016	-	31,50,981.28	31,50,981.28

38. Segment Reporting

A. Primary Segment Reporting (by Business Segment):

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

	Year ended 31/03/2017				Year ended 31/03/2016			
	Tyre, Rim & Wheel (₹Thousands)	Footwear (₹Thousands)	Hospital Equipments (₹Thousands)	Total (₹Thousands)	Tyre, Rim & Wheel (₹Thousands)	Footwear (₹Thousands)	Hospital Equipments (₹ Thousands)	Total (₹Thousands)
REVENUE								
Total	2,82,743.95	59,481.17	95,161.43	4,37,386.55	3,05,030.13	94,225.00	1,01,984.25	5,01,239.39
Inter Segment				(1,01,759.61)				(1,14,348.10)
Excise Duty				(2,032.97)				(2,907.62)
External				3,33,593.96				3,83,983.66
RESULTS								
Segment Results	(8,319.79)	(9,801.63)	17388	(17,947.50)	31,347.86	(7,438.07)	2,114.56	26,024.36
Unallocated Corporate Income				-				-
Unallocated corporate Expenses				-				-
Finance Costs				(20,963.72)				(21,161.02)
Tax Expenses				242.32				(997.64)
Profit for the year				(38,668.93)				3,865.70
OTHER INFORMATION								
Assets:								
Segment Assets	2,92,318.81	1,63,138.87	74,267.15	5,29,724.84	3,06,737.95	1,80,674.10	64,436.53	5,51,848.58
Unallocated Corporate Assets				-				-
Total				5,29,724.84				5,51,848.58
Liabilities:								
Segment Liabilities	1,78,226.49	62,638.08	10,718.96	2,51,583.53	150111.14	72671.13	10048.13	232830.4
Unallocated Corporate Liabilities				17,456.50				18323.94
Total Liabilities				2,69,040.03				251154.34
Capital Expenditure	848.59	1,476.02	602	2,384.81	4392.42	608.59	721.26	5722.27
Depreciation and Amortization	9,895.93	4,669.66	2,493.94	17,059.53	10678.20	4709.21	2468.55	17855.96

Notes to the Financial Statements as at and for the year ended 31st March 2017

B. Secondary Segment Reporting (by Geographical demarcation) :

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

	Year ended 31/03/2017				Year ended 31/03/2016			
	India	Overseas	Export (Sez)	Total	India	Overseas	Export (Sez)	Total
	(` Thousands)	(` Thousands)	(` Thousands)	(` Thousands)	(` Thousands)	(` Thousands)	(` Thousands)	(` Thousands)
Revenue	241,424.03	81,979.95	10,189.97	333,593.96	287,981.89	88,177.77	7,824.00	383,983.66

(The above figures are exclusive of Excise Duty)

39. EARNING PER SHARE (EPS) :

	For year ended	
	31/03/2017	31/03/2016
	(` Thousands)	(` Thousands)
Profit/ (Loss) for the year	(38,668.93)	3,865.70
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of Basic Equity Shares outstanding	14697130	14697130
Weighted average number of Diluted Equity Shares outstanding	14697130	14697130
Face value per share (`)	10.00	10.00
Basic & Diluted EPS (`)	(2.63)	0.26

40 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 ii) Sri Pradeep Kumar Singh iii) Sri Ravi Prakash Pincha 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 Bothra

* 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.

**KRYPTON INDUSTRIES
LIMITED**

Notes to the Financial Statements as at and for the year ended 31st March 2017

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

- a) Others
- i) Sri K.L. Bardia
ii) Hulashchand Tarachand Bardia HUF
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	For Year Ended	
	3/31/2017	3/31/2016
	(₹ Thousands)	(₹ Thousands)
(a). Remuneration to Key Managerial Personnel:		
Managing Director	3,000.00	3,000.00
Non Executive Directors	12.50	10.00
Chief Executive Officer	2,400.00	2,400.00
Chief Financial Officer	1,415.20	1,385.20
Company Secretary	384.00	392.98
	7,211.70	7,188.18
ii. OTHERS		

	Year ended 31st March, 2017			Year ended 31st March, 2016		
	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)
Transactions held :						
Interest and Dividend taken	-	484.39	292.58	-	524.61	263.70
Interest and Dividend paid	-	-	-	-	-	-
Rent given	-	180.00	-	-	180.00	-
Outstanding Balances:						
Loans, Advances and Deposits given	-	5,866.44	3,001.68	-	5,382.05	2,709.18
Loans, Advances and Deposits taken (inclusive of interest)	6,468.30	-	-	6,468.30	-	-

41 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 locally):

	For year ended	
	31/03/2017	31/03/2016
	(₹ Thousands)	(₹ Thousands)
Raw Materials, Trading Goods & Components	94,467.59	80,305.87
Stores and Spares	523.28	4,222.52
Capital Goods	307.46	399.95

Notes to the Financial Statements as at and for the year ended 31st March 2017

B. Expenditure in foreign currency during the year:

	For year ended	
	31/03/2017	31/03/2016
	(₹Thousands)	(₹Thousands)
Other matters	221.19	576.66

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

	Value (₹Thousands)		Percentage (%)	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Raw Materials:				
Imported	88,208.65	94,260.35	54.29%	49.11%
Indigenous	74,274.16	97,658.31	45.71%	50.89%
	162,482.81	191,918.66		
Stores and Spares:				
Imported	1,176.46	784.57	4.66%	2.59%
Indigenous	24,074.38	29,520.03	95.34%	97.41%
	25,250.84	30,304.60		

D. Earnings in Foreign Exchange:

	For year ended	
	31/03/2017	31/03/2016
	(₹Thousands)	(₹Thousands)
Export of Goods on F.O.B. basis	81,979.95	88,177.77

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

Note : Signatories to all Notes from 1 to 42

JAY SINGH BARDIA
Managing Director
(DIN : 00467932)

VINAY SIPANI
Chief Financial Officer

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

PRADEEP KUMAR SINGH
Director
(DIN : 00386800)

ARTI BOTHRA
Company Secretary

J. P. AGARWAL
PARTNER

Place: Kolkata
Dated : The 30th Day of May, 2017

Membership No.055436