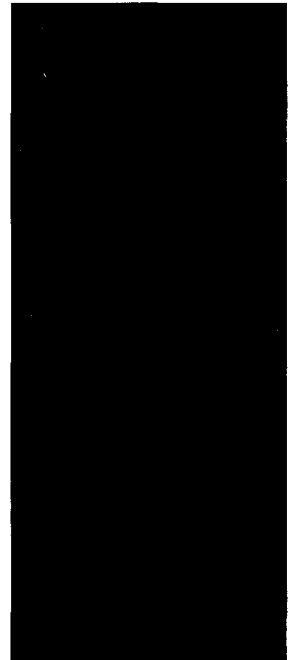
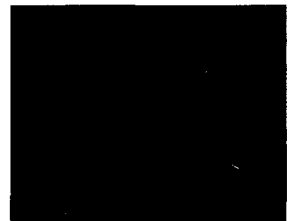


/// KRYPTON
INDUSTRIES LIMITED



19th
Annual Report
2008-2009



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AGM on Wednesday, September 30th, 2009

Venue

P.O. & Village : Banganagar, Diamond Harbour Road
24 Parganas (South), West Bengal - 743 513
Time : 11.00 A.M.

ALL SHAREHOLDERS ARE WELCOME

19th ANNUAL REPORT BOARD OF DIRECTORS

JAY. S. BARDIA	:	MANAGING DIRECTOR
PUNAM CHAND DAGA	:	DIRECTOR
T.C. BACHHAWAT	:	DIRECTOR
TANSUKH GULGULIA	:	DIRECTOR

ADMINISTRATIVE

P. L. BARDIA	:	CHIEF EXECUTIVE
SANJAY KUMAR GARODIA	:	COMPANY SECRETARY
BANKER	:	BANK OF BARODA International Business Branch 4, India Exchange Place Kolkata - 700 001
AUDITORS	:	M/s. JAGDISH AGARWAL & ASSOCIATES Chartered Accountants, 446, City Centre, 19, Synagogue Street, Kolkata - 700 001
REGISTERED OFFICE & WORKS - 1	:	FALTA SPECIAL ECONOMIC ZONE Sector-1, Plot No. 31 & 32 Falta, 24 Parganas (S) Pin-743 504, West Bengal Phone ; 91 33 74222227
WORKS - 2	:	P. O. & Village Banganagar, Diamond Harbour Road, 24-Parganas (S), West Bengal - 743 513 Phone : 91 31 74241005
HEAD OFFICE	:	410, Vardaan Building 25A, Apanindra Nath Tagore Sarani, 4th Floor, Kolkata - 700 016 Phone : 033 2287 1366 Fax : 033 2287 1084 Website : www.kryptontire.com E-mail : krypton@vsnl.com
DEMAT REGISTRAR & SHARE TRANSFER AGENTS	:	MAHESHWARI DATAMATICS (P) LTD. 6, Mangoe Lane, 2nd Floor Kolkata - 700 001 Phone : 033 2243 5809/5029 Fax : 033 2248 4787

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NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of Krypton Industries Limited will be held at Works-2 of the Company at P.O. & Village-Banganagar, Diamond Harbour Road, 24-Parganas (S), West Bengal-743513 on Wednesday, the 30th day of September, 2009 at 11 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 2009, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Tansukh Gulgulia, who retires by rotation, and is eligible for re-appointment.
3. To appoint M/S. Jagdish Agarwal & Associates, the retiring Auditors as Statutory Auditors of the Company to hold office from conclusions of this Annual General Meeting until the conclusion of next annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

SPECIAL RESOLUTION

"RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India or any other relevant authority from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions as might be required and subject to such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, the consent of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted/ to be constituted, by the Board to exercise its powers including the powers conferred by this Resolution) is hereby authorised to accept, the Board be and is hereby authorised to create, issue, offer and allot equity shares of Rs.10/- each on Rights basis, provided that the total amount raised through the issuance of equity shares does not exceed Rs.11 Crores (Rupees Eleven Crores) including premium, if any, to eligible shareholders as on the record date through letter of offer at such par or premium as may be decided, in consultation with the Lead Managers and/or other Advisors or otherwise and on such terms and conditions as the Board may, in its absolute discretion deemed fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted or may be necessary in accordance with the terms of the offer, all such shares ranking pari-passu inter-se and with the existing Equity Shares of the Company in all respects."

"RESOLVED FURTHER THAT for the purpose of giving effect to the offer, issue or allotment of equity shares, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the entering into arrangements for appointment of agencies for managing, underwriting, marketing, listing, trading of equity shares issued, and to issue the offer document(s) and sign all deeds, documents and

writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to dispose of the unsubscribed portion of the new shares in such a manner as they think most beneficial to the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any Committee of Directors or anyone or more Directors of the Company."

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

By Order of the Board

Sanjay Kumar Garodia
Company Secretary

Date:14.08.2009

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on poll on his behalf.** A proxy need not be a member of the Company.

Proxies, in order to be effective, must be received at the registered office of the Company not less than 48 hours before the commencement of the Annual General Meeting i.e. by 11 A.M. on 28th September, 2009.

2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
 3. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, of Directors seeking for re-appointment at the Annual General Meeting is annexed.
 4. Members, who wish to obtain information on the Accounts of the Company for the financial year ended 31st March, 2009 may send their queries at least 10 days before the date of annual General Meeting to the Company Secretary at the Registered Office of the Company.
 5. Members / Proxies are requested to bring their attendance slips along with copy of the Annual Report and accounts to the Annual General Meeting.
 6. Members holding shares in physical form are requested to advise immediately, change in their address, if any, quoting their folio number(s), to the company's Registrar & Share Transfer Agent.
 7. Members holding shares in dematerialized form may please note that while opening a depository account they may have given their Bank Account details. If Members want to change/correct the Bank Account details, they should communicate immediately to the concerned Depository Participant. Members are also requested to furnish the MICR code of their Bank to the Depository Participant. **The company will not entertain any direct request from members for deletion/change in Bank Account details as furnished by the Depository Participants to the Company.**
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|||| KRYPTON INDUSTRIES LIMITED

8. Members holding shares in physical Form are requested to notify/send the following to the Company's Registrar and Share Transfer Agent to facilitate better servicing:
 - Any change in their address /mandate / bank details.
 - Particulars of their bank account ,in case the same has not been furnished earlier and
 - Share Certificates, held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such share holdings into a single account.
9. Pursuant to Section 205A, read with Section 205C of the Companies Act, 1956, the amount of applications money, dividends, etc. remaining unclaimed for a period of seven years from the date that they first became due for payment, have been duly transferred to Investors Education and Protection Fund with Department of Company Affairs. No overdue amounts of deposits, unclaimed dividend, application money, etc. remain pending for transfer to the Investor Education and Protection Fund as at 31.03.2009.
10. Non-Resident Shareholders are requested to inform the company immediately:
 - An address, in India, for sending all communications from the company.
 - E-mail address, phone no(s) / fax no(s), if any.
 - The particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
 - Change in residential status on return to India for permanent settlement.
11. Members who hold shares in physical form in single name are advised, in their own interest to avail of the nomination facility by filling Form 2B (in duplicate) as prescribed under the Companies (Central Government's) General Rules & Forms, 1956, with the Company or Registrar & Share Transfer Agent. The Company's Registrars & Share Transfer Agent on request will supply blank forms. Members holding shares in the dematerialised form may contact their Depository Participant for recording nomination in respect of their shares.
12. The Register of Members and Share Transfer books will remain closed from 22nd September,2009 to 30th September,2009 (both day inclusive)
13. Members, who hold the shares in dematerialized form are requested to bring their client ID and DP ID Nos. for easier identification of attendance at the meeting.

Annexure to the Notice

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

ITEM No. - 4

The resolution seeks to obtain the members approval in respect of raising of funds through Right Issue of equity shares pursuant to the provisions of section 81(1A) of the Companies Act, 1956.

The Company plans to expand and modernize its existing manufacturing facilities in view of better economic prospects and to improve overall productivity of the company. The key expansion/modernization plans for which finance is required are detailed hereunder:

- 1) Expansion in production capacity and production range in PU tire and healthcare products.
- 2) Expansion in production capacity for sandal, shoes and uppers thereof.
- 3) Normal capital expenditure to improve overall productivity.
- 4) Retirements of short term debts.
- 5) General Corporate Purpose.

In order to part finance these plans, the company intends to raise resources by issue of Equity shares of the face value of Rs. 10/- each to the existing shareholders for a total amount not exceeding Rs. 11Crores.

The Directors recommend this Resolution for approval of the Shareholders.

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent they may be entitled to the equity shares that may be offered to them on rights basis or otherwise, applied for by them and allotted to them.

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

By Order of the Board
Sanjay Kumar Garodia
Company Secretary

Date:14.08.2009

/// KRYPTON INDUSTRIES LIMITED

Detail of Directors Seeking Appointment at the Annual General Meeting

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

"Persons constituting 'Group' coming within the definition of group as defined in the Monopolies & Restrictive Trade Practices Act, 1969 for the purpose of interest transfer of shares of the Company under Regulations, 3(1)(e)(i) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations 1997" include the following:

Krypton Developers Limited
Eco Wheels Private Limited
Barons Polymers Private Limited
Hulash Chand Tara Chand Bardia (HUF)
Krypton Tyres Limited
Karma Health Care Limited
P. L. Bardia
J. S. Bardia
Vimala Devi Bardia
Binod Kumar Sipani
Alka Bardia
Manju Sipani

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 19th Annual Report on business and operations of the Company and the Audited Financial statements for the year ended 31st March 2009.

1. FINANCIAL RESULTS

During the year under review, the company achieved an aggregate income of Rs1742.60 lakhs. The highlights of the financial results are as under:

	Current year	Previous Year
		Rs in '000
Sales	170283.18	173650.05
Other Income	3976.46	4034.71
GROSS TOTAL INCOME	174259.64	177684.76
Profit before Interest, Depreciation ,Tax	23524.28	33312.24
& Extra Ordinary Item		
Interest	10079.33	5667.22
Depreciation	9112.64	9037.08
Profit before Extraordinary Items and Tax	4332.31	18607.94
Extraordinary Items		
Profit before Tax and after Extraordinary Items	4332.31	18607.94
Provision for taxation	2884.80	4886.14
Profit after Tax	1447.51	13721.80
Balance in P&L A/C Brought Forward	49560.70	36525.00
Balance Available for Appropriation	51008.21	50246.80
Transfer to General Reserve	72.38	686.1
Balance Carried to Balance Sheet	50935.83	49560.70

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, 2009 and plough back the profits of the company in its business.

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3. CONSOLIDATED FINANCIAL STATEMENTS & SUBSIDIARIES

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

These group accounts have being prepared on the basis of audited Financial Statements received from subsidiary companies M/s. Eco Wheels Private Limited and M/s. Krypton Developers Limited and Krypton Industries (SUZHOU) Limited along with the statement pursuant to sec. 212 of the Companies Act, 1956, as approved by their respective Boards.

4. SUBSIDIARY COMPANIES :

The company has three subsidiary companies, the details of which are as follows:
The details of investment in subsidiaries:-

- (1) Eco Wheels Private Limited: 8,27,100 Equity shares of RS. 10/- each fully paid up.
- (2) Krypton Developers Limited: 49,400 Equity shares of Rs. 10/- each fully paid up.
- (3) Krypton Industries (SUZHOU) Limited: 100% Capital investment.

The statement pursuant to Section 212 of the Companies Act, 1956 containing the details of the company forms part of this Annual Report.

In view of the exemption received from the Central Government vide letter No. 47/629/2009-CL-III dated August 4, 2009 the Audited Statement of Accounts, the Report of the Board of Directors and Auditors of the subsidiary companies are not annexed as required under section 212(8) of the Companies Act, 1956. However, information of each Subsidiary company for capital, reserve, total assets, total liabilities, details of investment, turnover, profit before taxation, provision for taxation and proposed dividend etc. have been disclosed in the consolidated balance sheet.. Moreover, Shareholders who wish to have a copy of the full annual accounts of the subsidiaries will be provided the same on receipt of written request from them. These documents will also be available for inspection by any shareholder at the Registered office of the company and of the subsidiary company on any day during business hours.

5. OPERATIONAL REVIEW

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

Tyre Division

The Tyre unit produced 2.90 lakhs pieces of Tyres and out of that sold 3.18 lakhs pieces and 0.33 lakhs pieces of Plastic Rim with Tyre were produced and sold. The total sales of the unit amounted to Rs.751.46 lakhs of which export sales amounted to Rs.575.01 lakhs constituting 76.52% of the total revenue. There was a decline in revenue generation due to reduction in the US\$, the transacted currency. The Profit before Tax to sales was marginally down during the year at 0.75% compared to 5.23% in the previous year.

Footwear Division

The footwear unit produced 11.04 lakhs pairs of PU Shoe Sole and 2.21 Lakh Pairs of PU Sandals and sold 11.13 lakh pairs of PU Shoe Sole and 2.30 Lakh pair of PU Sandals. The total sales of the Unit amounted to Rs.951.15 lakhs. The unit reported a profit of Rs.37.69 Lakhs during the year. The directors hope a better performance in the forthcoming year.

6. WORKING

The overall profitability of the company during the year has suffered mainly due to abnormal increase in raw material cost and the appreciation of Rupees against US\$, the transacted currency and also due to sluggish economic and industrial environment. However, the Company could able to achieve the sales volume close to the previous year.

During the year under review the Company invested into different products and product developments, benefits from these efforts will bring in results during this year and the future.

7. RIGHTS ISSUE:

In order to part finance its expansion and modernization plans and to meet the long term working capital requirements of the company the Board has decided to come out with Rights Issue of approximately Rs. 11 crores, to the eligible shareholders as on the record date through letter of offer at such price as may be decided, in consultation with the Lead Manager and on such terms and conditions as the Board may, in its absolute discretion deem fit.

8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

A. Industry Structure & Developments :-

During the year the working of the industry suffered to a great extent due to abnormal increase in the cost of raw materials, appreciation of Rupees against US\$ and also due to the sluggish economic and industrial environment.

This year was a year where company has invested into future and to build new product lines which will start giving result from 2nd half of the current financial years.

In the tyre and Wheels business, company has worked on lot of new products and assemblies for our existing customers as well as for lot of new customers. The industrial segments, the new product lines in the newly started China plant for the Medical equipments and Wheelchair segments will help the company to grow and perform in near future.

The Footwear division, has developed new designs and now have more customers. The sandals and chappals sales have increased and company expects that the complete sandal and chappals will be 60% of footwear divisions sales in future in comparison to current 25%, of course without effecting current numbers and future growth of the PU shoe sole sales. The financial of the company have shown a good improvement over the last year and will continue doing so.

ECO WHEELS, subsidiary company of Krypton, have started making complete healthcare related products. We have a very big cost advantage compare to lot of manufacturers in this field because of our control of cost for major components (which we are making and supplying to many Wheelchair manufacturers across the globe). Eco wheels have showed a decline in sales and we are confident that it will be able to recover major part of it this year and will have a very good performance in future.

B. Outlook and opportunities

Your Company has identified the following products as future growth areas:

1. In spite of the sluggish international market scenario and unfavourable Export market. The Company has been able to perform and achieve the foreign exchange earning closer to the previous year. Out tire and wheel sales have grown in last quarter and we expect to achieve better performance in future also.
2. Hospitals equipments / Rehab care equipments: Eco Wheels Private Limited has started marketing its healthcare and Rehab care product in India under "i CARE" brand name. Company has planned a targeted initiative for the Indian market. We will market our production capacities to the world under our own brand name as well as for OEM production.
3. Footwear Segment: Company has now promoting "SOFT FLEX" brand name for Chappal and sandal aggressively in the market place in India. Company has already established sales channel in Eastern and southern India. Steadily the sale is picking up and your company have taken a cautious credit approach but with very serious market development activities to establish "Softflex" as a good footwear brand.
4. Sales and Distribution Network: Company has already developed distribution network in Eastern India and Southern India. It will further expand in the Northern region in a very short while. Krypton PU solid Puncture proof tyres have already accepted in North and Middle India states. Your company is now building RDCs (Regional distribution centers) for its complete product lines across India. In the first phase we have started this in Chennai and Hyderabad, Delhi, Mumbai, Jaipur, Raipur and Guwahati will follow one after another.

C. Outlook on threats, risk and concern

1. Business Risks:

Company is investing in distribution and product development especially for the Indian market and also for Export market. This will be a continuous process for Krypton in coming years. Krypton has very efficient manufacturing capabilities with lot of experience working with one of the best brands in different product segment as their suppliers in world as well as India market.

With this successful experience in manufacturing, Krypton has now investing in working directly in the market. Although it will be a very challenging task but the risk is minimized due to our product quality and understanding, cautious approach but with a very experienced team in different product lines which we have been able to put together.

Your company have also put lot of effort on new market areas and lot of new OEM customers in past which is already helping in increasing our sales and improving our business risk as a whole. The combination of strong Indian market presence with well diversified export market will always help us in future to grow and minimize business risk.

Time required in recovery of the global market is always a concern but as we have seen India and your company have been able to move ahead of this situation. As the recovery will start, we think we will be able to grow faster.

2. Financial Risks:

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

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

3. Legal & Statutory Risks

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

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

D. Internal Control System and their adequacy:

Your Company believes that Internal Control is a necessary concomitant of the principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances. Your Company remains committed to ensuring an effective internal control environment that provides assurance on the efficiency of operations and security of assets.

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

E. Financial Performance

Financial Performance of the company is satisfactory despite of adverse economy and industrial environment and company's ventures into newer areas of operations.

F. Human Resource Developments:

During the fiscal 2009, the Company's strength of Human Resources increased from that of previous year. At present there are 167 persons on the Rolls of the company. The strategy of Organization and its ongoing emphasis on building distributed leadership has ensured that each of your company businesses is managed by a team of competent and inspired leaders, capable of building a culture of learning, innovation and excellence. The Company's human capital consists of a diverse pool of knowledge – a mix of youth and imagination tempered with seasoned experience.

G. Cautionary Statement:

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

9. FIXED DEPOSITS

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

10. LISTING AT STOCK EXCHANGES

The equity shares of the company are listed on the stock exchanges at Kolkata, Mumbai, Delhi and Jaipur. The annual Listing fees for the year 2009-2010 has been paid to Mumbai and Kolkata stock exchanges.

III KRYPTON INDUSTRIES LIMITED

The Company is in the process of getting its shares delisted from the Jaipur and Delhi Stock Exchanges. The company's equity shares shall continue to be listed on the stock exchange at Kolkata (CSE) and Mumbai (BSE), of which BSE has nation wide trading terminals.

11. CORPORATE GOVERNANCE

A separate section on Corporate Governance together with a certificate from the Auditors of the Company regarding full compliance of conditions of corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report.

12. DIRECTORS

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

13. DIRECTORS RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts for the financial year ended 31st March 2009, the applicable accounting standards have been followed and that there are no material departures.
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2009 and of the profit of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis

14. PERSONNEL

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

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGES EARNINGS AND OUTGO:

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

16. AUDITOR'S REPORT

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

17. ISO 9001-2000

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

18. AUDITORS

M/s. Jagdish Agarwal & Associates retire as Auditors of the Company at the conclusion of the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Auditors, if re-appointed.

19. ACKNOWLEDGEMENT

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

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

By Order of the Board

Jay S. Bardia
chairman

Date: 14.08.2009

//// KRYPTON INDUSTRIES LIMITED

ANNEXURE TO THE DIRECTORS REPORT

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

A) CONSERVATION OF ENERGY

(a) POWER AND FUEL CONSUMPTION

	2008-09	2007-08
1. Electricity		
a) Purchased (from State Grid)		
Units (in KWH)	8,02,228	9,30,108
Total amount (Rs. in Lacs)	40.69	43.36
Rate / Units (Rs/ KWH)	5.07	4.80
b) Own Generator		
Through diesel Generator		
Units (KWH)	26,196	28,024
Units per liter of Diesel Oil		
(KWH /Liters)	2.88	3.26
Cost / Unit (Rs. / KWH)	12.17	11.04
2. Coal, furnace Oil, other	-	-

(b) CONSUMPTION PER UNIT OF PRODUCTION

1. PU TYRES

Production (Pcs in Lacs)	2.90	3.84
Electricity per pcs (unit)	1.11	1.03

2. PU SHOE SOLE

Production (pairs in lacs)	13.25	14.84
Electricity per pair (unit)	0.41	0.35

(B) TECHNOLOGY ABSORPTION

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

Your company has primarily worked on developing lot of new designs in thee footwear product range. Company has been able to introduce many new products for its footwear range.

Your company along with it subsidiary companies has developed a large range of disable persons and patient assistance equipments. These products have been complete design house design and development team.

Company has also developed the high load capacity castors but the products are not pursued further due to market conditions.

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

The company could achieve got a very good response in the footwear market for its new products helping the company to generate reasonable business even with difficult market situations.

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

III KRYPTON INDUSTRIES LIMITED

The High load capacity castors and wheel project is under watch category till we see a reversal of trend in the industrial purchase trend world wide.

2. Future Plan of Action

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

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

You company has taken more products developments for India market. First phase of trials, data collections and research on these data has give lot of inputs for modifying / developing new products for India market mainly targeting Bicycles, Electric Bikes and push carts. You company has put up its PU tire development team on these product for future growth in the India market.

FOREIGN EXCHANGE EARNING AND OUTGO

(Rs in '000)

	2008-09	2007-08
1. (A) Foreign Exchange Earning	50845.63	56211.18
2. (B) Foreign Exchange Outgo		
i) CIF Value of Imports		
Raw materials, Tyres & Rims	23611.78	26251.89
Stores and Spare parts	47.15	1026.39
ii) Others	3169.50	8225.03

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

By Order of the Board

Jay S.Bardia
chairman

Date:14.08.2009

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 The Listing Agreement)

1. Company's Philosophy on Corporate Governance

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

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

2. Board of Directors:**a) Composition and category of Directors**

The Board of Directors of the Company as on 31st March, 2009 comprised of total 4 Directors, consisting of One Executive Director and 3 Non Executive Independent Directors. Mr. Jay Singh Bardia, Managing Director is the only Executive Director. During the year under review the Board met 11 times on 29.04.2008, 28.05.2008, 27.06.2008, 31.07.2008, 29.08.2008, 31.10.2008, 28.11.2008, 30.12.2008, 28.01.2009, 27.02.2009, 30.03.2009, all at 11A.M.. The constitution of the Board during the year ended 31st March 2009 and their attendance at the Board Meetings, last Annual General Meeting and the Directorship/ Chairmanship/Membership of Committee of each Director in other companies are as under:

Sl. No.	Name of Director	Attendance		Category of Directors	Relationship with other directors	No. of Directorship Public Companies		No. of committee Membership/Chairmanship in other Companies	
		Board	Last AGM			Chairman	Members	Chairman	Members
1.	Mr. Jay S. Bardia	10	Yes	Executive, Chairman-cum Managing director	None	Nil	3	Nil	Nil
2.	Mr. Tilok Chand Bachhawat	11	Yes	Independent Non-Executive	None	Nil	Nil	Nil	Nil
3.	Mr. Tansukh Gulgulia	11	Yes	Independent, -Executive	None	Nil	2	Nil	Nil
4.	Mr. Punam Chand Daga	11	Yes	Independent, Non-Executive	None	Nil	2	Nil	Nil

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

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

b) Board Procedure:

Scheduling and selection of Agenda Items for Board Meetings:

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

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

Board Material Distributed in Advance

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

Recording Minutes of Proceedings at Board/Committee Meetings

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

Compliance

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

C Reappointment of Director liable to retire by rotation:

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

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

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

3. Audit Committee:

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

a) The Audit Committee consists of Mr. Jay Singh Bardia, Managing Director and other three Independent non-executive directors viz., Mr.T.C.Bachhawat (F.C.A), Mr. Tansukh Gulgulia (LL.B) and Mr. Punam Chand Daga. The committee comprises of Mr.Punam Chand Daga, an Independent Director, as the Chairman of the Committee, who is having good knowledge in marketing, finance and accountings. The Committee is mandated to meet at least four times in a year Mr. Sanjay Kumar Garodia, Company Secretary, acts as Secretary to the Committee.

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

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

c) Composition of Audit Committee:-

<u>Sl. No.</u>	<u>Name of Member</u>	<u>Category</u>	<u>No. of meetings attended</u>
1)	Mr. Punam Chand Daga	Chairman	5
2)	Mr. Jay Singh Bardia	Member	4
3)	Mr.T.S.Gulgulia	Member	5
4)	Mr.Tilok Chand Bachhawat	Member	5

Five Committee meetings were held viz., on 29.04.2008, 31.07.2008, 29.08.2008, 31.10.2008 and 28.01.2009.

4. Remuneration Committee :

The Remuneration Committee of the Board of Directors of the Company was set up by the Board in May 2004, consisting of two independent Directors viz., Sri Tansukh Gulgulia and Sri T.C.Bachhawat. The committee determines the Company's policies on remuneration packages payable to Managing Director and also reviews the compensation levels vis-à-vis other companies and the industry in general. All directors were present in the meeting. The Managing Director, Mr. Jay Singh Bardia, receives remuneration, which is based on the recommendation of the board and within the ceilings fixed by the shareholders.

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

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

It was unanimously decided by the Directors in the committee meeting held on 31.03.2009 not to take commission during the year.

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

Remuneration of the Managing Director for the year-ended 31.03.2009, which was approved by shareholders, is as follows:

Salary	Rs 24, 00,000
Commission	NIL
	Rs. 24, 00,000

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

Remuneration of non-executive Directors for the year ended 31.03.2009 is as follows:-

Name of the Directors	Sitting Fees (Rs.)	Total (Rs.)
Mr. Punam Chand Daga	5,500	5,500
Mr. T. C. Bachhawat	5,500	5,500
Mr. Tansukh Gulgulia	5,500	5,500

- d) **Details of the Shares of the Company held by directors as on March 31, 2009 are as follows:**

Name of the Directors	No. of Share held
Mr. Punam Chand Daga	Nil
Mr. T. C. Bachhawat	6,300
Mr. Tansukh Gulgulia	1,200
Mr. Jay Singh Bardia	11,500

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5. Shareholders /Investors Grievance Committee:

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

- I. The Share Transfer Committee was re-constituted as Shareholders/Investors Grievance Committee on 15.07.2003 in compliance with the Clause 49 of the Listing Agreement with the Stock Exchange. The Shareholders/ Investors/ Grievance Committee met on 24 different occasions during the year under consideration. The meetings are held on 10th and 25th of every calendar month and if there is a public holiday on that date then on the immediately next working date.
- II. The Composition of an meetings attended by the members are as under:

Name of the Directors	No. of Meeting attended
Mr. Tansukh Gulgulia Chairman Of the Committee	24
Mr. Punam Chand Daga	24

Mr.Sanjay Kumar Garodia Company secretary of the Company, is acting as compliance officer of the committee.

III. Investors Grievance Redressal:

No. of Complaints received during the financial year 2008-2009	:-	39
No. Of Complaints redressed during the financial year 2008-2009	:-	39
No. of Complaints pending at the end of the financial year 2008-2009	:-	NIL

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

Dividend related complaints	:	27
Share Certificate	:	3
Annual Report	:	9
Total	:	<u>39</u>

- ❖ Name, designation and address of Compliance Officer : Mr.Sanjay Kr.Garodia
Company Secretary
Krypton Industries Ltd.
410, Vardaan Building
25A, Camac Street
Kolkata-700016
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. General Body Meeting**A. General Meetings:**

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

<u>YEAR</u>	<u>DATE</u>	<u>VENUE</u>	<u>TIME</u>
2005-2006	20.09.2006	Falta special Economic Zone Sector-1,Plot No. 31&32,Falta 24- Parganas (s) Pin-743504	11.30A.M
2006-2007	29.09.2007	Works – 2 ,P.O & Village Banganagar, Diamond Harbour Road,24-Parganas(s) West Bengal - 743513	11.30 A.M
2007-2008	24.10.2008	Works – 2 ,P.O & Village Banganagar, Diamond Harbour Road,24-Parganas(s) West Bengal - 743513	11. A.M

B. Postal Ballot: No Postal Ballot was conducted during the year.

7. Disclosures**A) Related party transactions:**

The Related Party transactions in ordinary course of business have been disclosed in the Note 10 of Schedule 15 (Notes to Accounts). Company has not entered into any transaction of material nature with the promoters, directors, management, subsidiaries or relatives, etc that may have potential conflict with the interests of the company at large.

B) Compliances by the Company:

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

C) Secretarial audit:

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

8. Means of Communication:

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

/// KRYPTON INDUSTRIES LIMITED

9. General Shareholder Information

- a) Annual General Meeting :
- Date : 30th September, 2009
- Time : 11 A.M.
- Venue : Krypton Industries Limited
Diamond Harbour Road
(Opp. Rasoi Factory)
Banganagar
24-Parganas (S), West Bengal-743513
- b) Financial Calendar: -
- i) Audited Results Announced : 14.08.2009
- ii) Posting of Annual Report : On or before 05.09.2009
- iii) Last date of Receipt of Proxy Forms : 28th September,2009 (within 11A.M)
- c) Date of Book Closure : 22nd September to 30th September,2009
- d) Listing on Stock Exchanges : Bombay Stock Exchange
Calcutta Stock Exchange
Delhi Stock Exchange
Jaipur Stock Exchange

The company confirms that it has paid annual listing fees due Bombay Stock Exchange and Calcutta Stock Exchange for the year 2009-2010.

e) Stock Code / Symbols

- 1) Stock Exchange Codes
- i) Bombay Stock Exchange, Mumbai : Krypton \523550
- ii) The Calcutta Stock Exchange Association Ltd : Physical K-025
- iii) Jaipur Stock Exchange : Physical -1836
- iv) Delhi Stock Exchange : NOT AVAILABLE

2) ISIN No. : INE 951B01014

- f) Registrar & Transfer Agents : Maheshwari Datamatics Pvt. Ltd
6, Mangoe Lane, 2nd Floor ,
Kolkata -700 001.
E-Mail: mdp@cal.vsnl.net.in
Phone: 033 2243 5809/5029
Fax: 033 22484787

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

g) Share Transfer Systems:

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

h) Dematerialisation of shares:

The shares of the company are in compulsory demat segment and are available for trading in the depository system of both the National Securities Depository Limited & Central Depository Services (India) Limited. As on 31st March, 2009, equity shares of the company forming 58.35% of the share capital of the Company stand Dematerialized.

i) Stock Market Data: -

Monthly high and low quotations of shares traded at Mumbai Stock Exchange (BSE) and performance in relation to BSE Sensex from April 2008 to March 2009 are as under:

Months	Krypton at BSE		BSE SENSEX	
	High (Rs)	Low (Rs)	High	Low
April, 2008	38.55	30.15	17,480.74	17,241.88
May, 2008	38.10	32.15	17,621.24	17,445.93
June, 2008	32.10	22.00	17,735.70	17,457.27
July, 2008	28.65	21.35	15,814.80	15,314.02
August, 2008	29.45	26.30	13,530.68	12,934.92
September, 2008	28.40	24.10	14,986.63	14,529.21
October, 2008	21.95	15.60	14,994.15	14,766.01
November, 2008	18.25	14.00	12,995.20	12,153.55
December, 2008	18.05	13.00	10,373.17	10,112.66
January, 2009	17.20	14.00	8,854.81	8,601.41
February, 2009	15.00	13.26	9,921.70	9,711.64
March, 2009	15.15	12.25	9,363.58	9,048.97

III KRYPTON INDUSTRIES LIMITED

I) Distribution of Shareholding:

i) Category wise shareholding pattern as on 31.03.2009 was as under:

Category	No. of Shares Held	Percentage of Shareholding
Promoter's Holding		
Foreign Promoters	324000	7.5342
Indian Promoters*	262582	6.106
Non-Promoters Holding		
Banks Financial Institutions	200	0.0047
Insurance Companies	-	-
(Central/State Govt. Institutions/Non-Govt. Institutions)		
Mutual Fund/UTI	7000	0.1628
Others		
Private Corporate Bodies	632829	14.7156
Indian Public	2171590	50.4974
NRIs/OCBs	902199	20.9794
Total	43,00,400	100.00

*Including NRI Promoters holding 3,24,000 shares is on 31.03.2009

ii) DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2009

Normal Value of Shares (Rs)	Share Holders		Share Amount	
	(Numbers)	%of Total	In Rs.	% of Total
(1)	(2)	(3)	(4)	(5)
Upto 5,000	8099	93.8253	9928490	23.0874
5001 to 10,000	254	2.9425	2162650	5.0290
10,001 to 20,000	113	1.3091	1755590	4.0824
20,001 to 30,000	4	30.4981	1109430	2.5798
30,001 to 40,000	22	0.2549	749890	1.7438
40,001 to 50,000	10	0.1158	464140	1.0793
50,001 to 1,00,000	35	0.4055	2566640	5.9684
1,00,001 & Above	56	0.6487	2426717	56.4300
Total	8632	100.0000	43004000	100.00

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

l) Plant Location :	DIVISION -I (Tyre Division)	DIVISION -II (Footwear Division)
	FALTA SPECIAL ECONOMIC ZONE	BANGANAGAR,
	Sector-1, Plot No. 31 & 32	DIAMOND HARBOUR ROAD
	Falta, 24-Parganas (S)	Falta, 2-Parganas (S)
	Pin - 743 504, West Bengal	Pin- 743513, west Bengal

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

Compliance with the Non Mandatory Requirements

i) **The Board**

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

ii) **Remuneralion Committee**

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

iii) **Shareholders Rights**

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

iv) **Audit qualificalions**

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

v) **Training of the Board Members**

Presently, Company doesn't have any training programme.

vi) **Mechanism for evaluating non-executive Board Members**

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

vii) **Whistle Blower Policy**

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

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

The Board of Directors
KRYPTON INDUSTRIES LIMITED

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

1. We have reviewed financial statements and the Cash Flow Statement for the year ended 31st March 2009, 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. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the years, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibilities for establishing and maintaining internal control for financial reporting. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken for rectifying these deficiencies.
4. We have indicated to the Auditors and Audit Committee
 - a) Significant changes in internal control over financial reporting during the year.
 - b) Significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management, or an employee having a significant role in the company's internal control system over financial reporting.

For Krypton Industries Limited

Place: Kolkata
Date: 14-08-2009

Panna Lal Bardia
(Chief Executive)

Jay Singh Bardia
(Managing Director)

Declaration on Compliance of the Company's Code of Conduct

As provided under clause 49 of the Listing Agreement with the Stock Exchange, all Board members and Senior Management Personnel have affirmed compliance with code of conduct as applicable to them for the year ended 31st March, 2009.

For Krypton Industries Limited

Jay Singh bardia
Managing Director

Date : 14.08.2009

AUDITORS' CERTIFICATE

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES IN INDIA.

To the Shareholders

We have examined the compliance of the conditions of Corporate Governance by Krypton Industries Limited for the year ended on 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to 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 statement of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances are pending for a period exceeding one month against Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further 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

Place: Kolkata
Dated: The 14th day of August, 2009

J.P.AGARWAL
PARTNER
Membership No.055436

AUDITORS' REPORT

1. We have audited the attached Balance Sheet of KRYPTON INDUSTRIES LIMITED as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's reports) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - i) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit ;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - iii) The Balance Sheet and Profit and Cash Flow Statement dealt with by this report are in agreement with the books of Account ;
 - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v) On the basis of written representations received from the directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India ;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - b) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For JAGDISH AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: Kolkata
Dated: The 14th day of August, 2009

J.P.AGARWAL
PARTNER
Membership No.055436

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph '3' of our Report of even date on the accounts of KRYPTON INDUSTRIES LIMITED as at and for the year ended 31st March, 2009.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per Company's policy, verification of fixed assets is being conducted in a phased programme by the management designed to cover all assets over a period of five years, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. The verification of assets due as per this programme has been carried out. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) The Company has not disposed off a substantial part of its fixed assets during the year and the going concern assumption of the company is not affected.
- (ii) (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the record of inventories, we are of the opinion that, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) (a) The Company has granted unsecured loan to its subsidiary company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.7776.36 (in'000) and the year ended balance of loan granted to such party was Rs.7776.36 (in'000).
- (b) In our opinion the rate of interest and other terms & conditions on which loan has been taken from the party listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial of the interest of the Company.
- (c) The receipt of principal amounts and interest during the year has been regular/as per stipulation.
- (d) The Company had taken unsecured loan from subsidiary company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.2649.12 (in'000) and the year ended balance of loan taken/interest from such party was Rs.110.08 (in' 000).
- (e) In our opinion the rate of interest and other terms & conditions on which loan has been taken from the party listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial of the interest of the Company.
- (f) The payment of principal amounts and interest in respect of such loans during the year has been regular/as per stipulation.
- (iv) According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories, fixed assets and with regard to the sale of goods & services. During the course of our audit, no major weakness has been noticed in the underlying internal controls.

III KRYPTON INDUSTRIES LIMITED

- (v) (a) Based on the Audit Procedure applied by us and according to information and explanation given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to information and explanation given to us, the transactions made in pursuance of such contracts have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit within the meaning of section 58A, 58AA or any other relevant provisions of the Act and the rules framed thereunder.
- (vii) That Company has an internal audit system, which in our opinion, is commensurate with its size and nature of its business.
- (viii) To the best of our knowledge and the information given to us, the Central Government of India has not prescribed the maintenance of Cost records by the Company under Section 209(1)(d) of the Companies Act, 1956 for any of its products.
- (ix) (a) As explained to us, the statutory dues payable by the Company comprises of provident fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, cess. According to the records of the Company and information and explanations given to us, the Company has been regularly depositing the aforesaid undisputed statutory dues with the appropriate authorities. There are no undisputed statutory dues as referred to above as at 31st March, 2009 outstanding for a period of more than six months from the date they become payable.
- (b) According to the records of the Company and information and explanations given to us, there are dues of income – tax aggregating Rs.15,32,051/-, which have not been deposited on account disputes, the details of which are set out in note No. 16(6). We have been further informed that there are no dues in respect of income tax, sales tax and custom duty which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to banks. The Company has not taken loans from financial institutions and has not issued debentures.
- (xii) As Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the Order is not applicable.
- (xiii) As the Company is not a chit fund / nidhi / mutual benefit funds / society. Therefore, the provisions of paragraph 4(xiii) of the Order are not applicable to the Company.
- (xiv) As the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4(xiv) of the Order is not applicable.
- (xv) In respect of guarantees given by the Company for loans taken by its subsidiaries from banks, the terms and conditions are prima facie not prejudicial to the interest of the Company.
- (xvi) In our opinion, the Term Loan, have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short – terms basis have been used for long – term investment except permanent working capital.

//// KRYPTON INDUSTRIES LIMITED

- (xviii) As the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act, paragraph 4(xviii) of the Order is not applicable.
- (xix) As the Company has not issued any debentures, paragraph 4(xix) of the Order is not applicable.
- (xx) During the year, since the Company has not raised money by way of public issue, paragraph 4(xx) of the Order is not applicable.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March, 2009.

For JAGDISH AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: Kolkata
Dated: The 14th day of August, 2009

J.P.AGARWAL
PARTNER
Membership No.055436

III KRYPTON INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

(Rupees in '000)

	Schedule	As at	
		31st March, 2009	31st March, 2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share Capital	1	43004.00	43004.00
Reserves and Surplus	2	57714.34	56266.83
LOAN FUND			
Secured Loans	3	64978.43	68564.81
Unsecured Loans		<u>36529.74</u>	<u>25436.10</u>
		101508.17	94000.91
DEFERRED TAX LIABILITIES			
	16(3)	3451.02	3540.81
		<u>205677.53</u>	<u>196812.55</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	140366.11	123326.14
Less : Depreciation		<u>68048.52</u>	<u>59148.41</u>
Net Block		72317.59	64177.73
Capital Work-in-Progress		-	8420.48
		72317.59	72598.21
INVESTMENTS			
	5	35018.37	31967.54
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	38648.79	42447.61
Sundry Debtors	7	53217.77	54691.98
Cash and Bank Balances	8	6501.93	9650.53
Loans and Advances	9	<u>45601.16</u>	<u>33321.88</u>
		143969.65	140112.00
Less : Current Liabilities & Provisions			
Current Liabilities	10	45557.78	47291.59
Provision	11	<u>70.30</u>	<u>573.61</u>
		98341.57	92246.80
		<u>205677.53</u>	<u>196812.55</u>
Notes to the Financial Statements	16		

The Schedules referred to above form an integral part of the Balance Sheet.
In terms of our attached report of even date

For JAGDISH AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: Kolkata
Dated: The 14th day of August, 2009

J.P. AGARWAL
PARTNER
Membership No.055436

KRYPTON INDUSTRIES LIMITED

(Rupees in '000)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	<u>For the Year Ended 31st March, 2009</u>	<u>For the Year Ended 31st March, 2008</u>
INCOME			
Sales	12	170283.18	173650.05
Other Income	13	3976.46	4034.71
		<u>174259.61</u>	<u>177684.76</u>
EXPENSITURE			
(Increase)/Decrease in the stock of			
Finished Goods			
Opening Stock		23407.59	17910.43
Less : Closing Stock		<u>17800.76</u>	<u>23407.59</u>
Work in Progress			(5497.16)
Opening Stock		532.39	321.20
Less : Closing Stock		<u>4388.94</u>	<u>532.39</u>
Trading Goods			(211.19)
Opening Stock		344.16	283.37
Less : Closing Stock		<u>332.91</u>	<u>344.16</u>
		11.25	(60.79)
Excise Duty & Cess on Stock		(105.96)	65.42
Loss on sale of Fixed Assets		77.17	-
Purchase of Trading Goods		291.52	342.29
Raw Materials Consumed	14	96040.40	93921.61
Cost of Raw Material Sold		121.58	195.32
Cost of Consumable sold		22.05	45.35
Cost of Equipment Sold		-	1624.40
Manufacturing, Selling and Administrative Expenses	15	52527.07	53946.27
Interest		10079.33	5667.22
Depreciation		9112.64	9037.08
		<u>169927.33</u>	<u>159076.82</u>
PROFIT BEFORE TAX :		4332.31	18607.94
Provision for Current Tax		1422.00	4881.77
Provision for Fringe Benefit Tax		218.67	290.88
Provision for Deferred Tax	16(3)	(89.79)	(536.51)
Interest/income-tax/FBT Paid for earliest year		<u>1333.92</u>	<u>250.00</u>
PROFIT AFTER TAX		1447.51	13721.80
Balance brought forward from Previous year		49560.70	36525.00
PROFIT AVAILABLE FOR APPROPRIATION		<u>51008.21</u>	<u>50246.80</u>
APPROPRIATIONS TO :			
General Reserve		72.38	686.10
Balance Carried Forward to Balance Sheet		<u>50935.83</u>	<u>49560.70</u>
		<u>51008.21</u>	<u>50246.80</u>
Earning Per Share (Face value Rs. 10.00 each)		0.34	3.19
(Basic and diluted) (Rs.)	16(7)		
Notes to the Financial Statements	16		

The Schedules referred to above form an integral part of the Profit & Loss Account
In terms of our attached report of even date

For JAGDISH AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: Kolkata
Dated: The 14th day of August, 2009

J.P.AGARWAL
PARTNER
Membership No.055436

III KRYPTON INDUSTRIES LIMITED

(Rupees in '000)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	For the Year Ended 31st March, 2009	For the Year Ended 31st March, 2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	4332.31	18607.94
Adjustment for		
Loss on Sale of Fixed Assets	77.17	-
Depreciation	9112.64	9037.08
Interest Expenses	10079.33	5667.22
Interest Income	<u>(2473.58)</u>	<u>(2630.60)</u>
Operating Profit before Working Capital changes	21127.87	30681.64
Adjustment for :		
Trade and Other Recivables	(1569.63)	(33016.64)
Inventories	3798.82	(6749.92)
Trade and Other Payables	<u>(1699.63)</u>	<u>18210.07</u>
Cash generated from Operations	21657.43	9125.15
Income Tax, Dividend Tax and F.B.T. paid	(4365.31)	(7299.30)
Net Cash (used in)/from Operating activities	17292.12	1825.85
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(9141.67)	(17291.48)
Sale of Fixed Assets	232.48	-
Investment in Equity	(3050.83)	(22002.54)
Interest Received	<u>2667.75</u>	<u>2682.75</u>
Net Cash (used in)/from Investing activity	(9292.27)	(36611.27)
C. CASH FLOW FROM FINANCIAL ACTIVITIES :		
Proceeds from short term borrowing	14114.77	29503.30
Dividend Payout	(34.18)	(5695.05)
(Repayment)/Proceeds from long term borrowing	(6717.59)	19622.96
Interest paid	(9969.25)	(5667.22)
Loan to Others	<u>(8542.20)</u>	<u>1110.14</u>
Net Cash (used in)/from Financial activities	(11148.45)	38874.13
Net (Decrease)/Increase in Cash and Cash equivalents	<u>(3148.60)</u>	<u>4088.71</u>
Cash and Cash equivalents as at beginning of the year	9650.53	5561.82
Cash and Cash equivalents as at end of the year	<u>6501.93</u>	<u>9650.53</u>
	<u>3148.60</u>	<u>4088.71</u>

For JAGDISH AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: Kolkata
Dated: The 14th day of August, 2009

J.P. AGARWAL
PARTNER
Membership No.055436

KRYPTON INDUSTRIES LIMITED

(Rupees in '000)

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	<u>As at</u> <u>31st March, 2009</u>	<u>As at</u> <u>31st March, 2008</u>
1. SHARE CAPITAL		
AUTHORISED		
1,50,00,000 Equity Shares of Rs. 10/- each	150000.00	150000.00
(Previous Year, 150,00,000 Equity Shares of Rs. 10/- each)	150000.00	150000.00
ISSUED, SUBSCRIBED AND PAID- UP		
43,00,400 Equity Shares of Rs. 10/- each fully paid up.		
The above shares include 3,24,000 Equity Shares of Rs. 10/- each which have been allotted as fully paid-up shares pursuant to a contract without payment being received in Cash.		
	43004.00	43004.00
	43004.00	43004.00
2. RESERVES AND SURPLUS		
CAPITAL RESERVE		
From West Bengal Government under Capital Subsidy Incentive Scheme	1500.00	1500.00
GENERAL RESERVE		
As per Last Balance Sheet	5206.13	4520.03
Add : Transferred from Profit & Loss Account	72.38	686.10
	5278.51	5206.13
Profit & Loss Account	50935.83	49560.70
	57714.34	56266.83
3. LOAN FUNDS		
SECURED LOANS		
Term Loan from Bank of Baroda* (Including interest accrued Rs.Nil) (Previous Year Rs.Nil)	29211.59	35929.18
Other Loans (Short Term) *		
From Bank of Baroda on Cash/Packing Credit Account	35596.18	32251.41
HDFC Car Loan	170.66	384.22
UNSECURED LOANS		
From Bodies Corporate (Including interest accrued Rs.1,10,077/-, P.Y. Rs.2,51,430/-) (Includes Rs.1,10,077/-from Subsidiary,P.Y. Rs.26,49,119/-)	36529.74	25436.10
	101508.17	94000.91

* The Cash/Packing Credit /Term Loan/ PSD Loan from Bank of Baroda were Secured by hypothecation of both present & future Stocks of Raw Materials, Work-in-Progress, Finished Goods, hypothecation of D.P. Note, Book Debts, Equitable mortgage of Land & Building/Factory Shed and hypothecation of Plant & Machinery of the Company lying in and/or stored and/or installed at any place in India or abroad. These loans were further secured by the personal guarantees of Mr. J. S. Bardia, the Managing Director of the Company alongwith the personal guarantee of Mr. T. S. Gulgulia and Mr. P. C. Daga, Directors of the Company.

** Car has been hypothecated with HDFC Bank

/// KRYPTON INDUSTRIES LIMITED

(Rupees in '000)

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

4. FIXED ASSETS

DEPRECIATION	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 31st March, 2008	Additions	Disposal	As at 31st March, 2009	Upto 31st March, 2008	For the year	Adjusted on disposal	Upto 31st March, 2009	As at 31st March, 2009	As at 31st March, 2008
LAND	3677.51	-	-	3677.51	-	-	-	-	3677.51	3677.51
BUILDINGS	23551.41	8956.75	-	32508.16	7640.12	921.85	-	8561.97	23946.19	15911.29
PLANT AND MACHINERY	79278.45	7763.25	92.50	86949.20	42477.34	7172.72	44.44	49605.62	37343.58	36801.11
ELECTRIC INSTALLATION	4377.67	751.83	-	5129.50	1694.25	303.85	-	1998.10	3131.40	2683.42
OFFICE EQUIPMENTS	3516.31	70.70	-	3587.01	2281.18	307.50	-	2588.68	998.33	1235.13
VEHICLES	4186.01	-	429.68	3756.33	2241.76	268.28	168.09	2341.95	1414.38	1944.25
FURNITURE, FIXTURES AND FITTINGS	4738.78	19.62	-	4758.40	2813.76	138.44	-	2952.20	1806.20	1925.02
TOTAL	123326.14	17562.15	522.18	140366.11	59148.41	9112.64	212.53	68048.52	72317.59	64177.73
Previous Year's Figures	114455.14	8871.00	-	123326.14	50111.33	9037.08	-	59148.41	64177.73	
Capital Work-in-Progress										8420.48
Buildings										8420.48

5. INVESTMENTS (Long Term)

	As at 31st March, 2009	As at 31st March, 2008
Trade (Unquoted):		
Eco Wheels Private Limited. In subsidiary Company 8,27,100 Equity Shares of Rs. 10/- each fully paid up. (Previous Year 8,27,100 Equity Share of Rs. 10/- each fully paid up.)	8271.00	8271.00
Barons Polymer Private Limited 1,00,000 Equity Shares of Rs. 10/- each fully paid-up. (Previous Year 1,00,000 Equity Shares of Rs. 10/- each fully paid-up)	1000.00	1000.00
Krypton Developers Ltd. In subsidiary Company 49,400 Equity Shares of Rs. 10/- each fully paid-up (Previous Year 49,400 Equity Share of Rs. 10/- each fully paid up.)	494.00	494.00
Krypton Tyres Ltd. 20,000 Equity Shares of Rs. 10/- each fully paid-up (Previous Year 20,000 Equity Share of Rs. 10/- each fully paid up.)	200.00	200.00
Karma Health Care Ltd. 70,000 Equity Shares of Rs. 10/- each fully paid-up (Previous Year 20,000 Equity Share of Rs. 10/- each fully paid up.)	700.00	200.00
Krypton Industries(Suzhou) Co. Ltd. (Capital Investment in 100% Subsidiary Company)	24353.37	21802.54
	35018.37	31967.54

KRYPTON INDUSTRIES LIMITED

(Rupees in '000)

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	<u>As at</u> <u>31st March, 2009</u>	<u>As at</u> <u>31st March, 2008</u>
6. INVENTORIES		
(As taken, valued and certified by the Management)		
Raw Materials & Components (At cost)	12928.28	14591.53
Stores, Spare Parts and Packing Materials (At cost)	3197.90	3571.94
Finished Goods (At cost or estimated realisable value, whichever is lower)	17800.76	23407.59
Work in Progress	4388.94	532.39
Trading Goods (At cost or estimated realisable value, whichever is lower)	332.91	344.16
	<u>38648.79</u>	<u>42447.61</u>
7. SUNDRY DEBTORS		
(Unsecured - considered good)		
Outstanding for a period exceeding six months	10639.73	5830.42
Other Debts	42578.04	48861.56
(Including Rs.42,44,025.00 receivable from Subsidiary)	<u>53217.77</u>	<u>54691.98</u>
(Previous year Rs.29,09,661.32)		
8. CASH AND BANK BALANCES		
Cash - in - hand (As Certified by the Management)	240.92	647.16
Balance with Scheduled Bank on :		
EEFC Account	27.78	21.79
Current Accounts	4467.83	4165.26
Remittance In Transit - 2495.29		
Margin Money Account (Import)	421.00	976.63
Fixed Deposit Account *	<u>1344.40</u>	<u>1344.40</u>
* (Deposit receipt endorsed in Favour of Banks as Security against Guarantees given)	<u>6501.93</u>	<u>9650.53</u>
9. LOANS AND ADVANCES		
(Unsecured - considered good)		
Loan to Others (including accrued interest Rs.18,10,197/-)	20177.28	19576.78
(Previous year Rs. 19,75,536/-)		
Loan to Subsidiary (Krypton Industries {Suzhou} Co. Ltd.	7776.36	-
Advances (Recoverable in cash or in kind or for value to be received or pending adjustments)	7140.47	5477.58
(Including Rs Rs.10,000/- to Subsidiary Company, Previous year Rs.10,000/-)		
Interest Accrued on Deposits	446.27	475.10
Deposits	171.57	396.57
Income-Tax	2175.44	1288.03
Duties & Taxes	<u>7713.77</u>	<u>6107.82</u>
	<u>45601.16</u>	<u>33321.88</u>

III KRYPTON INDUSTRIES LIMITED

(Rupees in '000)

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31st March, 2009	As at 31st March, 2008
10. CURRENT LIABILITIES		
Sundry Creditors		
Due to Small Scale Industries	3.40	820.60
Due to Others (Including Rs.33,00,725.98 payable to Subsidiary) (Previous year Rs. 40,56,317.48)	<u>28333.06</u>	<u>31330.24</u> 32150.84
Advance from Customers (including Rs.30,00,000/-from Subsidiary, P.Y.Rs.32,17,000/-)	3347.20	4201.38
Tax deducted at Source payable	647.78	192.34
Providend Fund, E.S.I. and other Govt. charges	256.57	362.21
Duties and Taxes	38.83	126.67
Commission Payable	3780.96	2703.21
Other Liabilities	5611.38	3982.16
Unpaid Dividend *	3538.60	3572.78
*(there is no amount due and outstanding to be credited to Investor Education and Protection Fund)	<u>45557.78</u>	<u>47291.59</u>
11. PROVISIONS		
Provision for Current Tax (Net of Advance Tax)	-	498.20
Provision for Fringe Benefit Tax (Net of Advance Tax)	70.30	75.41
	<u>70.30</u>	<u>573.61</u>

KRYPTON INDUSTRIES LIMITED

(Rupees in '000)

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	<u>For the year ended</u> <u>31st March, 2009</u>	<u>For the year ended</u> <u>31st March, 2008</u>
12. SALES		
M.C.P. Tyres - Overseas	34810.07	38116.72
M.C.P. Tyres - Exports	6655.43	4608.08
M.C.P. Tyres - Domestic	17425.74	10789.09
Plastic Rim with Tyre - Overseas	7800.75	8441.53
Plastic Rim with Tyre - Domestic	32.80	4084.82
Trading Goods - Overseas	220.64	323.64
Trading Goods - Domestic	186.30	-
Raw Material - Overseas	150.94	93.39
Raw Material - Domestic	22.17	110.40
Consumable - Overseas	80.29	52.65
Equipment - Overseas -	-	1755.15
Component - Overseas	7782.94	2820.02
P.U. Shoe Sole - Domestic	72314.93	83949.10
P.U. Sandles - Domestic	22800.18	17354.88
(Excluding Excise Duty Rs.57,11,036/-, P.Y. Rs. 78,57,582/-)		
Job work Charges (including TDS P.Y. Rs. 37041/-) -	-	173650.05
	<u>170283.18</u>	<u>1150.58</u>
	<u><u>170283.18</u></u>	<u><u>173650.05</u></u>
13. OTHER INCOME		
Interest Received (including TDS Rs.5,01,258 /-) (Previous Year Rs. 5,56,788/-)	2473.58	2630.60
Miscellaneous Income (including TDS Rs.108150/- P.Y. RS. 86520/-)	1422.42	1132.78
Prior Period Items	20.46	-
Sale of PU Wastage	60.00	-
Claims & Discount Received	-	271.33
	<u>3976.46</u>	<u>4034.71</u>
14. RAW MATERIALS CONSUMED		
Opening Stock	14591.53	14297.23
Purchases during the Year(including purchase from Subsidiary Co. Rs.71,52,862/- P.Y. Rs.47,99,809/-)	94498.73	94411.23
109090.26	109090.26	108708.46
Less : Cost of Raw Material Sold	121.58	195.32
Less : Closing Stock	12928.28	14591.53
	<u>96040.40</u>	<u>93921.61</u>

III KRYPTON INDUSTRIES LIMITED

(Rupees in '000)

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	<u>For the year ended 31st March, 2009</u>	<u>For the year ended 31st March, 2008</u>
15. MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES		
Payment to and Provision for Employees :		
Salaries,Wages and Other Allowances	16778.79	12492.76
Contribution to E.S.I.and Provident Fund,& G.I. Scheme &Gratuity	1568.85	899.52
Employees Welfare Expenses	<u>1262.50</u>	<u>2012.74</u>
	19610.14	15405.02
Stores,Spare Parts and Packing Materials Consumed	7652.85	9841.86
Power,Light and Fuel	4760.94	5177.33
Rent	831.48	1675.38
Repairs and Maintenance Expenses	658.47	550.92
Vehicle Running and Maintenance Expenses	550.10	644.76
Travelling and Conveyance Expenses	1253.63	2100.19
Excise Duty	-	53.88
Insurance Charges	523.11	482.89
Bank Charges	509.12	1068.77
Printing and Stationery	407.71	405.48
Security Charges	281.26	241.89
Telephone, Telegram and Postage	1019.04	1362.96
Sales Promotion Expenses	759.76	682.93
Claim & Discount Allowed	-	458.83
Commission	2431.39	2049.08
Professional Fees	1602.94	1216.79
Freight and Handling Charges	5483.28	7903.06
Rates and Taxes	133.64	281.78
Auditors'Remuneration :		
Audit Fees	66.18	68.54
Tax and VATAudit Fees	23.16	23.60
Other Services	<u>62.12</u>	<u>19.38</u>
	151.46	111.52
Directors' Fees	16.50	9.00
Miscellaneous Expenses	1490.25	1261.95
Managerial Remuneration & Commission	2400.00	960.00
	<u>52527.07</u>	<u>53946.27</u>

**SCHEDULE FORMING PART OF THE STATEMENT OF ACCOUNTS AS AT AND
FOR THE YEAR ENDED 31ST MARCH, 2009**

16. NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES:

(a) BASIS OF ACCOUNTING

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

(b) FIXED ASSETS

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

(c) DEPRECIATION

(i) Depreciation on fixed assets has been provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

(ii) In the case of Moulds the cost of Moulds is being amortised over the estimated life of Moulds.

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

(d) INVESTMENTS

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

(e) INVENTORIES

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

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

The values of finished goods include Excise Duty.

(a) FOREIGN CURRENCIES

i) Foreign Currency transactions are recorded at the exchange rate prevailing on the date of transaction.

ii) At each Balance sheet date, monetary foreign currency items are reported using closing rates.

iii) Exchange difference arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.

(f) RECOGNITION OF INCOME AND EXPENDITURE

Sales are recognised when goods are supplied and are recorded net of Trade discount and Taxes.

Other Incomes and Expenses are accounted for on accrual basis and provision is made for all known losses and expenses.

(g) PROVISIONS FOR RETIREMENT BENEFITS

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

(h) CONTINGENT LIABILITIES

Contingent Liabilities are generally not provided for in the Accounts and are shown separately in notes on accounts.

III KRYPTON INDUSTRIES LIMITED

16. NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(j) SEGMENT ACCOUNTING

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

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

(k) TAXATION

Provision for Tax is made for both current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account for timing differences, which are capable of reversal in subsequent periods are recognized using tax rates and tax laws, which have been enacted or substantively enacted.

2. Contingent Liabilities not provided in respect of :-

(a) Bank Guarantee Rs. 13,11,414/- (Previous year Rs. 13,11,414/-)

(b) Export Bills discounted with bank Rs. 39,39,974/- (Previous year Rs. 62,92,412,-)

(c) Letter of Credit Rs. 13,70,040/- (Previous year Rs. 87,22,580/-)

(d) Corporate Guarantee has been given to Bank of Baroda for Loan taken by subsidiary M/s. Eco Wheels Private Limited.

3. The break-up of Deferred Tax Assets and Liabilities are as given below:

	March, 31, 2009	March, 31, 2008
	(Rs. in '000)	(Rs. in '000)
Opening balance	(3540.81)	(4077.32)
Deferred Tax Liabilities :-		
Depreciation differences	-	-
Deferred Tax Assets :-	89.79	536.51
Depreciation differences	-----	-----
Net Deferred Tax Assets/(Liabilities)	(3451.02)	(3540.81)

4. The allotment of 3,24,000/- Equity Shares to the Foreign Collaborator for the Technical Know how fees is subject to the approval of Reserve Bank of India.

5. No Provision has been made for Interest of Rs. 18.75 Lacs for the year ended 31st March, 2009 (Previous year Rs. 19.30) on old outstanding Unsecured Loans.

6. Information pursuant to Clause 4(ix) (b) of Companies (Auditors Report) Order, 2003 in respect of dues disputed, not deposited, pending with various authorities:

<u>Nature of Demand</u>	<u>Amount of Demand</u>	<u>Amount deposited</u>	<u>Forum where dispute is pending</u>
1) Income – tax	Disallowance of claim U/s80HHC	-----	Appeal U/s.250 for Assessment Year 2002 -2003 before Appellate Tribunal

III KRYPTON INDUSTRIES LIMITED

16. NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Nature of Demand	Amount of Demand	Amount deposited	Forum where dispute is pending
II) Income-tax	Rs. 11,05,428/-	Rs. 9,19,086/-	Rs. 1,86,342/- is under dispute with the income Tax Dept. for Assessment Year 2005-2006.
III) Income-tax	Rs. 14,58,561/-	Rs. 2,50,000/-	Appeal u/s 246A(1)(a) for Assessment Year 2003-2004 before Commissioner of Income Tax. Kolkata
IV) Income-tax	Rs. 1,37,148/-	Appeal U/s 246A for Assesment Year 2006-2007 before Commissioner of Income Tax Kolkata
7. EARNING PER SHARE			
Earning per Share has been computed as under		<u>31.03.2009</u>	<u>31.03.2008</u>
a)	Profit after Taxation (Rs. In `000)	Rs. 1447.51	Rs. 13721.80
b)	Number of Equity Shares	43, 00,400	43,00,400
c)	Earning Per Share in Rs.(a/b)	Rs. 0.34	Rs. 3.19
[Face Value Rs.10/- Per Share, (basic & diluted)]			
8. PAYMENTS TO AUDITORS (Including Service Tax)			
		<u>Amount (Rs)</u>	<u>Amount (Rs)</u>
		<u>31.03.2009</u>	<u>31.03.2008</u>
a)	As Auditor	66,180	68,540
b)	in other Capacities		
	For Tax and VAT Audit	23,163	23,596
	For Other Services	62,117	19,379
		-----	-----
		1,51,460	1,11,515
9. DIRECTORS REMUNERATION :-			
i)	Managing Director		
	Salary	24,00,000	9, 60,000
[Within Ceiling limit of Schedule XIII, Part II, Sec II 1(B)]			
ii)	Other Director		
	Directors' Fees	16,500	9,000
		-----	-----
		24,16,500	9, 69,000

III KRYPTON INDUSTRIES LIMITED

16. NOTES TO THE FINANCIAL STATEMENTS (Contd.)

10. RELATED PARTY DISCLOSURES

- a) Subsidiary Company
- i) Eco Wheels Pvt. Ltd.
 - ii) Krypton Developers Ltd.
 - iii) Krypton Industries (Suzhou) Co. Ltd.
- b) Name of key managerial personnel
- i) Managing Director
Sri Jay Singh Bardia
 - ii) Non-Executive Directors
 - a) Sri T.C. Bachhawat
 - b) Sri Tansukh Gulgulia
 - c) Sri Punam Chand Daga
 - iii) Chief Executive Officer
Sri P.L.Bardia *

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

c) Details of transactions with related Parties

<u>Particulars</u>	<u>Nature</u>	<u>Amount (Rs)</u>
Managing Director	Salary	2400000 (960000)
Non-Executive Director	Directors' Fees	16500 (9000)
Chief Executive Officer	Salary & Allowances	480000 (480000)
Eco Wheels Pvt. Ltd.	Purchase of Tyres, Rims & Components, Metal parts.	6195123 (4799809)
Eco Wheels Pvt. Ltd.	Sale of Tyre,	2921997 (4608084)
Eco Wheels Pvt. Ltd.	Advances Payable	3000000 (3217000)
Eco Wheels Pvt. Ltd.	Sundry Debtors	3691153 (769156)
Eco Wheels Pvt. Ltd.	Sundry Creditors	3300726 (4056317)
Krypton Industries (Suzhou) Co. Ltd.	Sale of Equipment, Raw Material Consumable & Tyre	420393 (2109444)
Krypton Industries (Suzhou) Co. Ltd.	Sundry Debtors	552872 (2140505)
Krypton Industries (Suzhou) Co. Ltd.	Purchase of Tyre	957739 (-)

KRYPTON INDUSTRIES LIMITED

16. NOTES TO THE FINANCIAL STATEMENTS (Contd.)

c) Details of transactions with related Parties		
<u>Particulars</u>	<u>Nature</u>	<u>Amount (Rs)</u>
Krypton Industries (Suzhou) Co. Ltd.	Loan Given	7776360 (-)
Krypton Developers Ltd.	Advance Receivable	10000 (10000)
Eco Wheels Pvt. Ltd.	Interes Paid	138637 (187808)
Eco Wheels Pvt. Ltd.	Loan Tken / Interest	110077 (2649119)

11. SEGMENT REPORTING

1) BUSINESS SEGMENT Segment Wise- Revenue, Resu't and Other Information
(Rs. in ' 000)

Particulars	2008-2009			2007-2008		
	Tyre	Footwear	Tyre	Total	Footwear	Total
REVENUE						
External Sales	75,145.90	95,137.28	1,70,283.18	71,085.09	1,02,564.96	1,73,650.05
Less - Inter Segment Adjustment	-	-	-	-	-	-
Total Revenue	75,145.90	95,137.28	1,70,283.18	71,085.09	1,02,564.96	1,73,650.05
RESULTS						
Segment/Operating Results	4,504.69	9,906.95	14,411.64	5481.84	18,793.32	24275.16
Interest Expenses			(10,079.33)			(5,667.22)
Provision for Tax (Including Deferred Tax)			(2,884.80)			(4,886.14)
Net Profit			1,447.51			13,721.80
OTHER INFORMATION						
Segment Assets	1,52,242.78	96,887.39	2,49,130.17	1,43,330.45	1,00,059.27	2,43,389.72
Un-Allocable Assets			2175.44			1,288.03
Total Assets			2,51,305.61			2,44,677.75
Segment Liabilities	19,301.65	22,069.75	41,371.40	16,507.06	27,019.41	43,526.47
Un-Allocable Liabilities & Provision			4,256.68			4,338.73
Total Liabilities			45,628.08			47,865.20
Depreciation	4,305.55	4,807.09	9,112.64	4,446.96	4,590.12	9,037.08
Total Depreciation			9,112.64			9037.08
Non-Cash Expenditure other than depreciation			-			-
Total Non Cash Expenditure			-			-
Capital Expenditure	472.34	8,669.33	9,141.67	1,473.36	15,818.12	17,291.48

III KRYPTON INDUSTRIES LIMITED

16. NOTES TO THE FINANCIAL STATEMENTS (Contd.)

2) GEOGRAPHICAL SEGMENTS

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

	Revenue - Sales (Rs. In `000)	
	2008-2009	2007-2008
India	112782.12	117438.87
Overseas	50845.63	51603.10
Exports (SEZ)	6655.43	4608.08

12. Information pursuant to the provisions of Paragraphs 3, 4C and 4D of part II of Schedule VI of the Companies Act, 1956:

(Figures in the brackets are for the previous year)

i) CAPACITIES, PRODUCTION & SALES

Class of Goods	Unit	Installed Capacity	Production	Sales Quantity	Sale Amount (Rs.)
MCP TYPE	Nos.	8,60,000	286336* (376958*)	318139 (344333)	58891.24 (53513.89)
MCP TYPE 'B' Grade	Nos.	-	3658 (7699)	- (-)	- (-)
PLASTIC RIM WITH TYRE	Nos	-	32746 (51636)	32746 (51636)	7833.55 (12526.35)
COMPONENTS**	-	-	-	-	7782.94 (2820.02)
PU SHOE SOLE	Pair	12,00,000	1103586 (1296239)	1112842+ (1286712+)	72314.93 (83949.10)
PU SANDAL	Pair	12,00,000	221171 (188126)	230372## (177800)	22800.18 (17354.88)

*(Include 32746 Nos. of Tyres assembled with Plastic Rims P.Y. 51636 Nos.)

**Quantity not ascertainable.

#Excludes Jobwork Production & Sale of 22,600 pair.

+After adjusting sales return of 7388 pair of PU Sole. P.Y. 11354 pair of PU Sole.

After adjusting Sales Return of 143 Pairs, P.Y. Nil Pairs.

- NOTES: i) Installed Capacity has been estimated by the Management.
ii) Production of Components being ancillary to the Manufacturing Activity, hence quantity figures have not been stated.

16. NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rupees in '000)

(ii) STOCKS OF FINISHED GOODS.	Closing Stock		
Class of Goods	Unit	Quantity	Value (Rs.)
MCP TYRE	Nos	71071 (135620)	12082.07 (18444.32)
MCP TYRE 'B' Grade	Nos.	39424 (35766)	4969.92 (2539.38)
PU SHOE SOLE	Pair	11873 (21129)	609.58 (1213.91)
PU SANDAL	Pair	1125 (10326)	139.19 (1209.98)
(iii) STOCK OF WORK IN PROGRESS	Closing Stock		
Class of Goods	Unit	Quantity	Value (Rs.)
PU SHOE SOLE	Pair	42168 (6467)	2534.46 (408.15)
PU SANDAL	Pair	22367 (1251)	1854.48 (124.24)
(iv) RAW MATERIAL & COMPONENTS CONSUMED			
A) I) IMPORTED		Quantity	Value (Rs.)
a) DACRON YARN	Kgs	2027.000 (2443.400)	504.76 (624.10)
b) COLOUR PIGMENTS	Kgs.	2144.000 (2026.000)	606.53 (889.78)
c) SILICOM FOAM STAB	Kgs.	400.000 (719.000)	89.36 (166.12)
d) POLYOL (ARCOL)	Kgs.	188675.000 (280525.000)	21354.13 (26490.60)
e) VORALAST	Kgs.	- (1800.000)	- (207.41)
f) SYNTHETIC LEATHER	Mtr.	3699.30 (-)	511.04 (-)

III KRYPTON INDUSTRIES LIMITED

16. NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rupees in '000)

(iv) RAW MATERIAL & COMPONENTS CONSUMED		Quantity	Value (Rs.)
A) I) IMPORTED			
	g) LUPRANATE	Kgs. 231070.000 (290550.000)	28528.78 (30249.73)
	h) TRIETHELENE DIAMINE	Kgs. 200.00 (250.000)	146.60 (119.31)
	i) P.U. LEATHER	Mtr. 153.350 (846.650)	41.15 (227.16)
	j) COLOUR POLY	Kgs. 1180.000 (361.000)	141.33 (40.43)
	k) RESIN HRK	Kgs. - (51.000)	- (71.88)
			51923.68
			59086.52
ii) IMPORTED COMPONENTS			
COMPONENTS		Pcs.	
(Bush, Rims & Metal Parts)		296144 (84778)	13057.17 (9078.97)
			296144
			13057.17
			(9078.97)
Total (I + ii)			64980.85
			(68165.49)
B) INDEGENOUS			
	a) Daltoped	Kgs. 30:000 (-)	3.22 (-)
	b) Methylene Chloride	Kgs. 16088.000 (15419.000)	596.05 (557.70)
	c) Colour Pigments	Kgs. 23109.650 (29094.400)	3762.59 (4903.87)
	d) Additive	Kgs. 40244.850 (39118.800)	2952.02 (2460.24)
	e) Polyol	Kgs. 52185.000 (42135.000)	5502.05 (4319.21)
	f) Lupranate	Kgs. 97730.000 (66960.000)	11860.53 (7128.79)

KRYPTON INDUSTRIES LIMITED

16. NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rupees in '000)

B) INDEGENOUS			
g) Realease Agent	Kgs.	2510.000 (2653.000)	883.22 (1084.50)
h) MEG	Kgs.	21487.550 (25069.800)	1211.96 (1544.10)
i) OTHERRAW MATERIALS			
j) Sari	Pairs	4333.305 (1990.320)	486.47 (309.93)
k) Uppers	Pairs	63296.00 (178908.000)	3801.44 (3415.68)
			31059.55
			(25766.12)
Total (A+B)			96040.40 (93921.61)

iv) UANTITATIVE STATEMENT OF TRADING GOODS

Class of Goods	Unit	Opening Stock		Purchase		sales/Consumption		Closing stock	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value
Class of Goods	Set	4774 (4774)	164.42 (164.42)	100 (-)	9.59 (-)	100 (-)	11.39 (-)	4774 (4774)	162.63 (164.42)
Rim Wheel	Pcs	110 (110)	1.28 (1.28)	-	-	-	-	110 (110)	1.28 (1.28)
P. P. Rum	Pcs	598 (598)	7.73 (7.73)	-	-	-	-	598 (598)	7.73 (7.73)
Wheel Chair	Set	5 (5)	49.78 (49.78)	-	-	-	-	5 (5)	49.78 (49.78)
W/C Accessories	Pcs.	-	-	-	-	-	-	-	-
ID Card	Pcs.	2000 (2000)	57.35 (57.35)	-	-	-	-	2000 (2000)	57.35 (57.35)
Tyre Imported	Pcs	-	-	-	-	-	-	-	-
Books	Pcs	-	-	546 (2739)	75.39 (28.19)	546 (2739)	99.07 (61.91)	-	-
Hinge	Pcs	441+ (20)	63.60 (2.81)	-	-	70 (-)	12.24 (-)	371 (441+)	53.50 (63.60)
Aluminium Spacer	Pcs	-	-	27525 (-)	33.75 (-)	27000 (-)	97.94 (-)	525 (-)	0.64 (-)
Colour Banner Machine	Pcs	-	-	12 (-)	172.79 (-)	12 (-)	186.30 (-)	-	-
		344.16		291.52		406.94		332.91	
		(283.37)		(343.29)		(323.64)		(344.16)	

* Includes Sample Goods.

+ 7 pcs shortage in W/C accessories & 20 pcs shortage in Hinge in P.Y.

III KRYPTON INDUSTRIES LIMITED

16. NOTES TO THE FINANCIAL STATEMENTS (Contd.)

v) CONSUMPTION OF RAW MATERIALS, STORES, SPARE PARTS AND PACKING MATERIALS

	IMPORTED		INDIGENOUS	
	value (Rs.)	% To Total Consumption	value (Rs.)	% To Total Consumption
Raw Materials for MCP Tyres & PU Shoe Sole	64980.85 (68165.49)	67.66 (72.58)	31059.55 (25756.12)	32.34 (27.42)
Stores, Spare Parts and Packing Materials	363.95 (749.58)	4.76 (7.62)	7288.90 (9092.28)	95.24 (92.38)

vi) IMPORTS ON C.I.F. BASIS

	Amount (Rs.)
Raw Materials & Components & Trading Goods	41457.67 (63267.09)
Store, Spare Parts & Components	- (1475.28)
Capital Goods	3228.41 (4463.79)

vii) EXPENDITURE IN FOREIGN CURRENCY (On accrual basis)

Foreign Bank Charges	59.00 (37.46)
Foreign Traveling	911.99 (811.09)
Commission	2198.51 (1930.80)

viii) EARNINGS IN FOREIGN CURRENCY (on accrual basis)

Sales - Overseas	50845.63 (51603.10)
------------------	-------------------------------

16. NOTES TO THE FINANCIAL STATEMENTS (Contd.)

13. There are Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2009. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available to the company.

Sundry creditors include Rs. 3.40 (in '000) (P.Y. Rs. 820.60 thousand) due to SSI undertakings.

a) Bhattacharjee & Co.

14. Previous year's figures have been regrouped and/ or rearranged wherever considered necessary.

Note : Signatories to all Schedules from 1 to 16

For JAGDISH AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

J.P.AGARWAL
PARTNER
Membership No.055436

Place: Kolkata
Dated: The 14th day of August, 2009

III KRYPTON INDUSTRIES LIMITED

Information pursuant to Part IV of Schedule VI to the Companies Act, 1956 Balance Sheet Abstract and Company's General Business Profile

(Rupees in '000)

1. Registration Details

Registration No. : 21-48791 of 1990 State Code : 21
Balance Sheet : 31st March, 2009

2. Capital raised during the year

Public Issue : Rs. Nil Right Issue : Rs. Nil
Bonus Issue : Rs. Nil Private Placement : Rs. Nil

3. Position of Mobilisation and

Development of funds

Total Liabilities : Rs. 205677.53 Total Assets : Rs. 205677.53

Source of funds

Paid-up-Capital : Rs. 43004.00 Reserves and Surplus : Rs. 57714.34
Secured Loans : Rs. 64978.43 Unsecured Loans : Rs. 36529.74
Deffered Tax Liabilities : Rs. 3451.02

Application of Funds

Net Fixed Assets : Rs. 72317.59 Investments : Rs. 35018.37
Net Current Assets : Rs. 98341.57 Miscellaneous Expenditure : Rs. Nil
Accumulated losses : Rs. Nil

4. Performanc of Company

Turnover : Rs. 170283.18 Total Expenditure : Rs. 169927.33
Other Income : Rs. 3976.46 Profit and Tax : Rs. 1447.51
Profit before Tax : Rs. 4332.31 Dividend Rate (%) : Nil
Earning per Share : Rs. 0.34

5. Generic Names of Products of Company

Item Code No. (ITC) : 401150.10
640620.00
Product Description : MCP Tubeless Tyre
PU Shoe Sole
PU Sandles

Auditor's Report on Consolidated Financial Statements

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

We have examined the attached Consolidated Balance Sheet of Krypton Industries Limited and its subsidiaries as at 31st March, 2009, and the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Krypton Industries Limited's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statements of the foreign subsidiary company, whose total assets were Rs. 32,816.83 (in ' 000) as on 31.03.2009, total revenue was Rs. 8715.31 (in ' 000) and Cash flow was Rs. 405.56 (in ' 000) for the year ended on that date. These financial statements have been audited by another auditor whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the aforesaid subsidiary company, is based solely on the report of the said auditor.

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

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

- a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Krypton Industries Limited and its subsidiaries as at 31st March, 2009;
- b) in the case of the Consolidated Profit & Loss Account, of the Consolidated Loss of the Krypton Industries Limited and its subsidiaries for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flow of the Krypton Industries Limited and its subsidiaries for the year ended on that date.

For JAGDISH AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

J.P.AGARWAL
PARTNER

Membership No. 055436

Place: Kolkata

Dated: The 14th day of August, 2009

III KRYPTON INDUSTRIES LIMITED

(Rupees in '000)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	As at 31st March, 2009	As at 31st March, 2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share Capital	1	43004.00	43004.00
Reserves and Surplus	2	83851.22	10008.65
Minority Interest	3	10548.74	12542.29
LOAN FUND			
Secured Loans	4	87896.07	98855.64
Unsecured Loans		<u>36419.66</u>	<u>22786.98</u>
		124315.73	121642.62
DEFERED TAX LIABILITIES			
	16(5)	6983.71	5865.54
		<u>268703.40</u>	<u>283063.10</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	215490.08	195290.04
Less : Depreciation		<u>77609.06</u>	<u>64434.20</u>
Net Block		137881.02	130855.84
Capital Work-in-Progress		-	8420.48
Pre-Operative Expenses (Pending Allocation)		-	<u>4473.99</u>
		137881.02	143750.31
INVESTMENTS			
	6	3850.00	3350.00
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	60348.34	64121.65
Sundry Debtors	8	58494.26	53085.59
Cash and Bank Balances	9	12242.99	15560.04
Loans and Advances	10	<u>46216.18</u>	<u>45625.43</u>
		177301.77	178392.71
Less : Current Liabilities & Provisions			
Current Liabilities	11	56772.92	42273.61
Provision	12	<u>134.33</u>	<u>643.08</u>
Net CURRENT ASSETS		120394.52	135476.02
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
Preliminary/Deferred Expenses		6577.86	486.77
		<u>268703.40</u>	<u>283063.10</u>
Notes to the Financial Statements	16		

The Schedules referred to above form an integral part of the Consolidated Balance Sheet.
In terms of our attached report of even date

For JAGDISH AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: Kolkata
Dated: The 14th day of August, 2009

J.P. AGARWAL
PARTNER
Membership No. 055436

KRYPTON INDUSTRIES LIMITED

(Rupees in '000)

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	<u>For the Year Ended 31st March, 2009</u>	<u>For the Year Ended 31st March, 2008</u>	
INCOME				
Sales		210296		219480.39
Other Income	13	<u>6273.71</u>		<u>6155.72</u>
		<u>216570.56</u>		<u>225636.11</u>
EXPENDITURE				
(Increase)/Decrease in the stock of				
Finished Goods			23469.89	
Opening Stock		37408.80		
Less : Closing Stock		<u>24615.86</u>	<u>37408.80</u>	(13938.91)
WIP of Finished Goods			321.20	
Opening Stock		1755.33		
Less : Closing Stock		<u>10140.95</u>	<u>532.39</u>	(211.19)
Trading Goods			283.37	
Opening Stock		344.16		
Less : Closing Stock		<u>332.91</u>	<u>344.16</u>	(60.79)
Excise Duty & Cess on Stock		(105.96)		65.42
Loss on sale of Fixed Assets		77.17		-
Purchase of Trading Goods		2302.98		408.17
Raw Materials Consumed	14	112558.84		114227.07
Cost of Raw Material Sold		860.44		195.32
Cost of Consumable sold		22.05		45.35
Cost of Equipment Sold		-		1624.40
Manufacturing, Selling and Administrative Expenses	15	83970.03		73875.50
INTEREST				
Interest Expenses		13918.18		7934.50
Depreciation		13387.39		10756.93
Amortisation of Preliminary Expenses		56.84		34.30
		<u>231466.53</u>		<u>194956.07</u>
PROFIT BEFORE TAX		<u>(14895.97)</u>		<u>30680.04</u>
Provision for Current Tax		1422.00	4881.77	
Provision for Fringe Benefit Tax		262.84	347.49	
Provision for Deferred Tax		1118.17	839.87	
Interest / Income Tax paid for earlier Year		<u>1334.71</u>	<u>250.00</u>	6373.13
Profit for the year (before adjustment for Minority Income)		(19033.69)		24306.91
Less : Share of Profit transferred to Minority		<u>(1993.55)</u>		<u>2629.00</u>
PROFIT AFTER TAX		<u>(17040.14)</u>		<u>21677.91</u>
Add : Balance brought forward from Previous year		89022.29		68030.48
PROFIT AVAILABLE FOR APPROPRIATION		<u>71982.15</u>		<u>89708.39</u>
APPROPRIATIONS TO :				
General Reserve		72.38		686.10
Balance Carried Forward to Balance Sheet		<u>71909.77</u>		<u>89022.29</u>
		<u>71982.15</u>		<u>89708.39</u>
Earning per Share (Face Value Rs. 10.00 each)				
(Basic and diluted) Rs.	16(8)	(3.96)		5.04
Notes to the Financial Statements	16			

The Schedules referred to above form an integral part of the Consolidated Profit & Loss Account in terms of our attached report of even date

For JAGDISH AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: Kolkata
Dated: The 14th day of August, 2009

J.P. AGARWAL
PARTNER
Membership No.055436

/// KRYPTON INDUSTRIES LIMITED

(Rupees in '000)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	For the Year Ended 31st March, 2009	For the Year Ended 31st March, 2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	(14895.97)	30680.04
Adjustment for : Interest Subsidy	(1536.00)	(1557.00)
Loss on Sale of Fixed Assets	77.17	-
Preoperative Expenses	4473.99	-
Depreciation	13387.39	10848.46
Interest Expenses	13918.18	7934.50
Interest Income	(3054.26)	(2982.58)
Amortisation of Preliminary expenses	56.84	34.30
Operating Profit before Working Capital changes	<u>27323.31</u>	<u>14277.68</u>
	<u>12427.34</u>	<u>44957.72</u>
Adjustment for :		
Trade and Other Receivables	(4043.23)	(31498.33)
Inventories	3773.31	(13991.79)
Trade and Other Payables	14533.49	10138.76
Cash generated from Operations	<u>14263.57</u>	<u>(35351.36)</u>
	<u>26690.91</u>	<u>9606.36</u>
Preliminary Expenses incurred	(6147.93)	(339.84)
Income Tax, Dividend and FBT paid	(4525.50)	(7372.99)
Cash flow before extraordinary items	<u>10673.43</u>	<u>(7712.83)</u>
	16017.48	1893.53
Extraordinary items	<u>1536.00</u>	<u>1557.00</u>
Net Cash (used in)/from Operating activities	<u>17553.48</u>	<u>3450.53</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Investments in equity	(500.00)	(1950.00)
Purchase of Fixed Assets	(12301.74)	(34786.21)
Sale of Fixed Assets	232.48	-
Pre-operative Expenses pending allocation	-	(4473.99)
Interest Received	3238.34	3034.73
Net Cash (used in)/from Investing activity	<u>(9330.92)</u>	<u>(38175.47)</u>
C. CASH FLOW FROM FINANCIAL ACTIVITIES :		
Proceeds from short term borrowing	20246.62	31819.00
Proceeds from long term borrowing	(17322.08)	16471.82
Dividend Payout	(34.18)	(5695.05)
Interest Paid	(14169.61)	(7934.50)
Loan of Others	(1143.07)	(1110.14)
	<u>12422.32</u>	<u>35771.41</u>
D. Foreign Currency Translation Reserve	882.71	1323.23
Net (Decrease)/Increase in Cash and Cash equivalents	<u>(3317.05)</u>	<u>2369.70</u>
Cash and Cash equivalents as at beginning of the year	15560.04	13190.34
Cash and Cash equivalents as at end of the year	<u>12242.99</u>	<u>15560.04</u>
	<u>(3317.05)</u>	<u>2369.70</u>

In terms of our attached report of even date

For JAGDISH AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

J.P. AGARWAL
PARTNER

Membership No.055436

Place: Kolkata

Dated: The 14th day of August, 2009

KRYPTON INDUSTRIES LIMITED

(Rupees in '000)

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

	<u>As at 31st March, 2009</u>	<u>As at 31st March, 2008</u>
1. SHARE CAPITAL		
AUTHORISED		
1,50,00,000 Equity Shares of Rs. 10/- each	<u>150000.00</u>	<u>150000.00</u>
(Previous Year , 150,00,000 Equity Shares of Rs. 10/- each)	<u>150000.00</u>	<u>150000.00</u>
ISSUED, SUBSCRIBED AND PAID- UP		
43,00,400 Equity Shares of Rs. 10/- each fully paid up.		
The above shares include 3,24,000 Equity Shares of Rs. 10/- each which have been allotted as fully paid-up shares pursuant to a contract without payment being received in Cash.	<u>43004.00</u>	<u>43004.00</u>
	<u>43004.00</u>	<u>43004.00</u>
2. RESERVES AND SURPLUS		
CAPITAL RESERVE		
From West Bengal Government under Capital Subsidy Incentive Scheme	4457.00	4457.00
GENERAL RESERVE		
As per Last Balance Sheet	5206.13	4520.03
Add : Transferred from Profit & Loss A/c	<u>72.38</u>	<u>686.10</u>
	5278.51	5206.13
Foreign Currency Translation Reserve	2205.94	1323.23
Profit & Loss Account	<u>71909.77</u>	<u>89022.29</u>
	<u>83851.22</u>	<u>100008.65</u>
3. MINORITY INTEREST		
Represents 24.81% of Equity of M/s. Eco Wheels Pvt. Ltd. and 1.20% of Equity of M/s. Krypton Developers Ltd.		
As per Last Balance Sheet	12542.29	9913.29
Add : Transferred from Profit & Loss A/c	<u>(1993.55)</u>	<u>2629.00</u>
	<u>10548.74</u>	<u>12542.29</u>
4. LOAN FUNDS		
SECURED LOANS		
Term Loan from Bank of Baroda* (Including interest accrued Rs.Nil) (Previous Year Rs.4,27,038/-)	40872.59	58194.67
Other Loans (Short Term) *		
From Bank of Baroda on Cash/Packing Credit Account	46852.82	40205.00
HDFC Car Loan**	170.66	455.97
UNSECURED LOANS		
From Bodies Corporate	<u>36419.66</u>	<u>22786.98</u>
	<u>124315.73</u>	<u>121642.62</u>

* The Cash/Packing Credit /Term Loan/ PSD Loan from Bank of Baroda were Secured by hypothecation of both present & future Stocks of Raw Materials, Work-in-Progress, Finished Goods, hypothecation of D.P. Note, Book Debts, Equitable mortgage of Land & Building/Factory Shed and hypothecation of Plant & Machinery of the Company lying in and/or stored and/or installed at any place in India or abroad. These loans were further secured by the personal guarantees of Mr. J. S. Bardia, the Managing Director of the Company alongwith the personal guarantee of Mr. T. S. Gulgulia and Mr. P. C. Daga, Directors of the Company.

** Car has been hypothecated with HDFC Bank

/// KRYPTON INDUSTRIES LIMITED

(Rupees in '000)

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

5. FIXED ASSETS

DEPRECIATION	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 31st March, 2008	Additions	Disposal	As at 31st March, 2009	Upto 31st March, 2008	For the year	Adjusted on disposal	Upto 31st March, 2009	As at 31st March, 2009	As at 31st March, 2008
LAND	3677.51	-	-	3677.51	-	-	-	-	3677.51	3677.51
BUILDINGS	51606.76	9188.21	-	60794.97	9220.90	1859.48	-	11080.44	49714.53	42385.80
PLANT AND MACHINERY	117434.14	10073.97	92.50	127415.61	45289.54	9931.20	44.44	55176.30	72239.31	72144.60
ELECTRIC INSTALLATION	8385.00	751.83	-	9136.83	1973.23	562.32	-	2535.55	6601.28	6411.77
OFFICE EQUIPMENTS	3651.28	688.59	-	4339.87	2316.72	431.78	-	2748.50	1591.37	1334.56
VEHICLES	4776.76	-	429.68	4347.08	2382.00	324.20	168.09	2538.19	1808.89	2394.68
FURNITURE, FIXTURES AND FITTINGS	4985.98	19.62	-	5005.60	2861.70	154.09	-	3015.87	1989.73	2124.20
COMPUTER & COMPUTER SOFTWARE	772.61	-	-	772.61	389.80	124.32	-	514.21	258.40	382.72
TOTAL	195290.04	20722.22	522.18	215490.08	64434.20	13387.39	212.53	77609.06	137881.02	130855.84
Previous Year's Figures	140315.66	54974.38	-	195290.04	53585.74	10848.46	-	64434.20	130855.84	
Capital Work-in-Progress										- 8420.48
Buildings										- 8420.48

As at	As at
31st March, 2009	31st March, 2008

6. INVESTMENTS (Long Term)

Non Traded (Quoted)

Franklin India High Growth (MF)
9779.951 unit of Rs. 10/- each

100.00	100.00
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Trade
(Unquoted)

Barons Polymer Private Limited
1,00,000 Equity Shares of Rs. 10/- each fully paid-up
Karma Health Care Ltd.
1,85,000 Equity Shares of Rs. 10/- each fully paid-up
Krypton Tyres Limited
40,000 Equity Shares of Rs. 10/- each fully paid-up

1000.00	1000.00
----------------	----------------

2350.00	1850.00
----------------	----------------

400.00	400.00
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3850.00	3350.00
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KRYPTON INDUSTRIES LIMITED

(Rupees in '000)

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

	<u>As at</u> <u>31st March, 2009</u>	<u>As at</u> <u>31st March, 2008</u>
7. INVENTORIES		
(As taken, valued and certified by the Management)		
Raw Materials & Components (At cost)	21098.10	20370.24
Stores, Spare Parts and Packing Materials (At cost)	4160.52	4243.12
Finished Goods (At cost or estimated realisable value, whichever is lower)	24615.86	37408.80
work-in-Progress	10140.95	1755.33
Trading Goods (At cost or estimated realisable value, whichever is lower)	332.91	344.16
	<u>60348.34</u>	<u>64121.65</u>
8. SUNDRY DEBTORS		
(Unsecured - considered good)		
Outstanding for a period exceeding six months	17130.32	5830.42
Other Debts	41363.94	47255.17
	<u>58494.26</u>	<u>53085.59</u>
9. CASH AND BANK BALANCES		
Cash - in - hand (As Certified by the Management)	853.95	1318.74
Balance with Scheduled Bank on :		
EEFC Account	184.70	168.30
Current Accounts	5257.40	5151.37
Remittance In Transit -	-	2495.29
Margin Money Account (Import)	596.93	1509.44
Fixed Deposit Account *	5350.01	4916.90
(including Accrued Interest Rs. 4,85,728/-)	11389.04	14241.30
(Previous year Rs. 2,09,846/-)		
* (Deposit receipt endorsed in Favour of Bank as Security against Guarantees given)	<u>12242.99</u>	<u>15560.04</u>
10. LOANS AND ADVANCES		
(Unsecured - considered good)		
Advances (Recoverable in cash or in kind or to be received or pending adjustments)	9680.81	7760.76
for value Advance to Supplier	4823.94	9419.57
Interest Accrued on Deposits	456.36	475.10
Deposits	361.47	586.47
Income-Tax	2528.17	1530.97
Loan to others	20554.51	19576.78
(including Accrued Interest Rs. 18,10,197/-)		
(Previous year Rs. 19,75,536/-)		
Duties & Taxes	7810.92	6275.78
	<u>46216.18</u>	<u>45625.43</u>

III KRYPTON INDUSTRIES LIMITED

(Rupees in '000)

SCHEDULE FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31st March, 2009	As at 31st March, 2008
11. CURRENT LIABILITIES		
Sundry Creditors		
Due to Small Scale Industries	244.17	1112.37
Due to Others	<u>32112.83</u>	<u>28674.15</u>
Due to Others		29786.52
Advance from Customers	145.52	1004.38
Tax deducted at Source payable	657.73	203.27
Provident Fund, E.S.I. and other Govt charges	347.15	436.97
Commission Payable	3780.96	2703.21
Other Liabilities	15899.11	4439.63
Bank of Baroda (Dr. Bal.)	7.12	-
Duties and Taxes	39.73	126.85
Unpaid Dividend*	3538.60	3572.78
* (there is no amount due and outstanding to be credited to Investor Education and Protection Fund)	<u>56772.92</u>	<u>42273.61</u>
12. PROVISION		
Provision for Current Tax (Net of Advance Tax)	19.86	518.06
Provision for F.B.T.	114.47	125.02
	<u>134.33</u>	<u>643.08</u>
13. OTHER INCOME		
Interest Received (including TDS Rs.5,82,495 /-) (Previous Year Rs. 6,88,281/-)	3054.26	2982.58
Interest Subsidy (From WBIDC)	1536.00	1557.00
Miscellaneous Income (including TDS Rs.1,08,150/- P.Y. RS. 86,520/-)	1602.99	1177.79
Claim & Discount Received	-	-
Prior Period Item	20.46	-
Sale of P U Wastage	60.00	-
Product Development Charges	-	167.02
	<u>6273.71</u>	<u>6155.72</u>
14. RAW MATERIALS CONSUMED FOR MCP TYRES		
Opening Stock	20370.24	22779.53
Purchases during the Year	114147.14	111623.59
	<u>134517.38</u>	<u>134403.12</u>
Less : Cost of Raw Material Sold	860.44	195.32
Less : Closing Stock	21098.10	19980.73
	<u>112558.84</u>	<u>114227.07</u>

KRYPTON INDUSTRIES LIMITED

(Rupees in '000)

SCHEDULE FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	As at 31st March, 2009	As at 31st March, 2008
15. MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES		
Payment to and Provision for Employees :		
Salaries, Wages and Other Allowances	22990.83	15448.01
Contribution to E.S.I. and Provident Fund, G.I. Scheme & Gratuity	2164.67	1404.76
Employees Welfare Expenses	2184.11	2632.88
Stores, Spare Parts and Packing Materials Consumed	9152.75	12457.78
Power, Light and Fuel	6641.04	6622.38
Rent	6139.39	1675.38
Repairs and Maintenance Expenses	1144.33	775.64
Vehicle Running and Maintenance Expenses	726.75	818.53
Travelling and Conveyance Expenses	2371.81	2202.34
Excise Duty	-	53.88
Insurance Charges	598.59	578.58
Bank Charges	1011.61	1569.21
Printing and Stationery	481.35	435.00
Security Charges	281.26	245.09
Telephone, Telegram and Postage	1112.31	1473.13
Sales Promotion Expenses	759.76	682.93
Commission	3172.55	6290.28
Professional Fees	1687.75	1296.65
Freight and Handling Charges	8486.11	12224.90
Rates and Taxes	150.40	317.20
Auditors' Remuneration :		
Audit Fees	101.56	98.88
Tax and VATA Audit Fees	34.19	34.84
Other Services	83.46	33.14
Job Work Charges	731.76	296.38
Directors' Fees, Remuneration	616.50	549.00
Managerial Remuneration	2400.00	960.00
Miscellaneous Expenses	4203.63	1643.36
Claim & Discount Allowed	-	458.83
Foreign Exchange Fluctuations	67.57	-
Loss on Trial Run period	-	596.52
Preoperative expenses	4473.99	-
	<u>83970.03</u>	<u>73875.50</u>

SCHEDULE FORMING PART OF THE CONSOLIDATED STATEMENT OF ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009

16. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING.

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

2. PRINCIPLES OF CONSOLIDATION

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

- i) The financial statements of the Parent Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra – group balances and intra – group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 – “Consolidated Financial Statements” as notified by Companies (Accounting Standards) Rules, 2006 as amended and the relevant provisions of the Companies Act, 1956.
- ii) Minority Interest's share of net assets of subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.
- iii) The Accounts of Indian Subsidiaries have been prepared in compliance with the Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government and those of foreign subsidiaries have been prepared in the compliance with the local laws of the foreign Countries. However wherever necessary, the figures have been reclassified/regrouped to bring the same, in line with the Parent Company's Financial Statements. The Pre-operative expenses incurred for Rs. 109.27 lacs before commencement of the commercial production of Chinese Subsidiary, M/s. Krypton Industries (Suzhou) Co. Ltd., has been debited to Profit & Loss A/c as per local laws of the land. Had the Pre-operative expenses been capitalized as per Indian GAAP, consolidated Loss would have been Rs 81.07 lacs, as against Rs.190.34 lacs.
- iv) There is no excess/shortfall of Cost to the Company of its Investments in the subsidiary Company compared to Parent's portion of equity in the subsidiary companies.
- v) The subsidiary companies considered in the consolidated financial statements is as follows:

<u>Name</u>	<u>Country of Incorporation</u>	<u>% of Ownership/ Voting Power as on 31.03.2009</u>
Eco Wheels Private Limited	India	75.19
Krypton Developers Limited	India	98.80
Krypton Industries (Suzhou) Co. Ltd.	China	100.00

16. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- vi) In terms of Accounting Standards (AS) – 21, the Minority Interest has been computed in respect of M/s. Eco Wheels Private Limited & M/s. Krypton Developers Limited a non-fully owned subsidiary, from the date when this Company became a subsidiary of M/s. Krypton Industries Limited.
- vii) Investments other than in subsidiaries have been accounted for as per AS 13 on "Accounting for Investments".
- viii) **FIXED ASSETS**
All fixed assets are valued at Cost less accumulated Depreciation.
- ix) **INVESTMENTS**
Long Term Investments are stated at Cost less provision, if any, for diminution, which is other than temporary in nature.
- x) **INVENTORIES**
 - i) Finished Goods and Trading Goods – At cost or Net realizable value, whichever is lower.
 - ii) Raw Materials – Stores, Spares Parts, Packing Materials & Components – At cost.
 - iii) The value of Finished goods include Excise Duty.
- xi) **DEPRECIATION – Indian Companies**
 - a) Depreciation on Fixed Assets have been provided on Straight Line Method at the rates prescribed in the Schedule XIV of the Companies Act, 1956.
 - b) In the case of Moulds the cost of Moulds is being amortised over the estimated life of Moulds.

DEPRECIATION – Foreign Companies
 - a) Depreciation has been provided by the Foreign Subsidiary on the methods and at the rates required/ permissible by the local laws of the Country of its incorporation.
- xii) **FOREIGN CURRENCY**
 - i) Foreign Currency transactions are recorded at the exchange rate prevailing on the date of transaction.
 - ii) At each Balance sheet date, monetary foreign currency items are reported using closing rates.
 - iii) Exchange difference arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.
 - iv) Financial statements of Foreign Subsidiary has been translated as under:-
 - a) Assets & Liabilities at the rate prevailing at the end of the year. Depreciation is accounted at the same rate at which assets are converted. Revenues and Expenses have been converted at yearly average exchange rates prevailing during the year.
 - b) Exchange differences arising on translation of financial statements of the Foreign Subsidiary are shown in the Foreign Currency Translation Reserve.
- xiii) **RECOGNITION OF INCOME AND EXPENDITURE**
Sales are recognized when goods are supplied and are recorded net of Trade discount and Taxes. Other Incomes and Expenses are accounted for on accrual basis and provision is made for all known losses and expenses.

III KRYPTON INDUSTRIES LIMITED

16. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

xiv) PROVISIONS FOR RETIREMENT BENEFITS

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

xv) TAXES ON INCOME:

a) Indian Companies:

Provision for Tax is made for both current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account for timing differences, which are capable of reversal in subsequent periods are recognized using tax rates and tax laws, which have been enacted or substantively enacted.

b) Foreign Company:

The Foreign Subsidiary has recognized tax liabilities and assets in accordance with the applicable local laws.

xvi) SEGMENT ACCOUNTING

To identify segment based on the dominant source and nature of risk and returns and the internal organization and management structure. To include under "Unallocated Corporate Expenses" revenue and expenses which relate to the enterprise as a whole and are not attributable to segments.

3. OTHER SIGNIFICANT ACCOUNTING POLICIES:

These are set out under 'Accounting Policies' as given in the separate financial statements of Krypton Industries Ltd and its subsidiaries.

4. Contingent Liabilities not provided in respect of :-

- (a) Bank Guarantee Rs. 15,82,914/- (Previous year Rs. 15,82,914/-)
- (b) Export Bills discounted with bank Rs. 1,02,73,918/- (Previous year Rs. 1,06,68,405/-)
- (c) Letter of Credit Rs. 13,70,040/- (Previous year Rs. 87,22,580/-)

5. The break-up of Deferred Tax Assets and Liabilities are as given below :

	March 31, 2009 (Rs. in '000)	March 31, 2008 (Rs. in '000)
Opening Balance	(5865.54)	(4971.67)
Deferred Tax Liabilities:-		
Depreciation differences till date	(1118.17)	(893.87)
Deferred Tax Assets:-		
Net Deferred Tax Assets/(Liabilities)	(6983.71)	(5865.54)

16. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

6. In the case of Parent Company the allotment of 3,24,000/- Equity Shares, to the Foreign Collaborator for the Technical Know how fees is subject to the approval of Reserve Bank of India.
7. No Provision has been made for Interest of Rs. 18.75 Lacs for the year ended 31st March, 2009 by Parent Company (Previous year Rs. 19.30 (Lacs) on old outstanding Unsecured Loans.

8. EARNING PER SHARE

Earning Per Share has been computed as under	<u>31.03.2009</u>	<u>31.03.2008</u>
a) Profit after Taxation (Rs. In `000)	Rs.(17,040.14)	Rs.21,677.91
b) Number of Equity Shares	43, 00,400	43,00,400
c) Earning Per Share in Rs.(a/b)	Rs. (3.96)	Rs. 5.04
[Face Value Rs.10/- Per Share, (basic & diluted)]		

9. RELATED PARTY DISCLOSURES

- | | |
|-------------------------------------|---|
| a) Name of key managerial personnel | a) Sri Jay Singh Bardia
b) Sri Tansukh Gulgulia
c) Sri Punam Chand Daga
d) Sri T.C. Bachhawat
e) Sri P.L.Bardia
f) Sri Binod Kumar Sipani
g) Sri Sunil Jain |
|-------------------------------------|---|

b) Details of transactions with related Parties

<u>Particulars</u>	<u>Nature</u>	<u>Amount (Rs)</u>
Managing Director	Salary	24,00,000 (9,60,000)
Non-Executive Director	Directors' Fees	16,500 (9,000)
Chief Executive Officer	Salary & Allowances	4,80,000 (4,80,000)
Whole Time Director	Salary	6,00,000 (5,40,000)

III KRYPTON INDUSTRIES LIMITED

16. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

10. SEGMENT REPORTING

1) BUSINESS SEGMENT Segment – Wise Revenue, Result and Other Information (Rs. in ' 000)

Particulars	2008-2009			2007-2008		
	Tyre, Rims, Metal Parts (Incl. Wheel Chair)	Footwear	Tyre	Tyre, Rims & Metal Parts	Footwear	Total
REVENUE						
External Sales	115181.74	95115.11	210296.85	116915.43	102564.96	219480.39
Less - Inter Segment Adjustment						
Total Revenue	115181.74	95115.11	210296.85	116915.43	102564.96	219480.39
RESULTS						
Segment/Operating Results	(10884.74)	9906.95	(977.79)	19821.22	18793.32	38614.54
Interest Expenses			13918.18			7934.50
Provision for Tax (Including Deferred Tax)			(4137.72)			(6,373.13)
Net Profit			(19033.69)			24306.91
OTHER INFORMATION						
Segment Assets	219617.23	96887.39	316504.62	223902.78	100059.27	323962.05
Un-Allocable Assets			2528.17			1530.97
Total Assets			319032.79			325493.02
Segment Liabilities	30506.84	22069.75	52576.59	11478.15	27019.41	38497.56
Un-Allocable Liabilities & Provision			4330.66			4419.13
Total Liabilities			56907.25			42916.69
Depreciation	8580.30	4807.09	13387.39	6166.81	4590.12	10756.93
Total Depreciation			13387.39			10756.93
Non-Cash Expenditure other than depreciation	56.84	-	56.84	34.30	-	34.30
Total Non Cash Expenditure			56.84			34.30
Capital Expenditure (including CWIP)	3632.41	8669.33	12301.74	18968.09	15818.12	34786.21

III KRYPTON INDUSTRIES LIMITED

16. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2) GEOGRAPHICAL SEGMENTS

Secondary Segment (Geographical Segment) :

(Rs. In '000)

	<u>Domenstic</u>		<u>Overseas</u>	
	<u>31.03.2009</u>	<u>31.03.2008</u>	<u>31.03.2009</u>	<u>31.03.2008</u>
Revenues-Sales	122890.02	117438.87	87406.83	102041.52
Carrying Amount of Segment Assets by location of assets	290544.62	300475.49	28488.17	25017.53
Cost incurred on acquisition of fixed assets (including CWIP)	11504.71	25666.36	797.03	9119.85

11. a) Previous year's figures have been regrouped and/or rearranged and reclassified wherever considered necessary.

Note : Signatories to all Schedules from 1 to 16

For JAGDISH AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: Kolkata
Dated: The 14th day of August, 2009

J.P.AGARWAL
PARTNER
Membership No. 055436

/// KRYPTON INDUSTRIES LIMITED

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

1. Name of the Subsidiary Companies : a) Eco Wheels Private Limited
b) Krypton Developers Limited
c) Krypton Industries (Suzhou) Co. Ltd.
2. Financial year of the Subsidiary Companies ended on : 31st March, 2009
3. a) No. of Shares held by Krypton Industries Limited in the Subsidiaries at the end of the Financial year of the Subsidiaries Company : 8,27,100 Equity Shares of Eco Wheels Pvt. Ltd. and 49,400 Equity Shares of Krypton Developers Limited having face value of Rs. 10/- each fully paid up. 100% Investment in Paid-in-Capital worth Rs.24353.37 (in ' 000) in Krypton Industries (Suzhou) Co. Ltd.
- b) Extent of Holding at the end of the financial Financial year of the Subsidiaries company. : 75.19% of Eco Wheels Pvt. Ltd, 98.80 % of Krypton Developers Limited & 100% of Krypton Industries (Suzhou) Co. Ltd.
4. Net Aggregate of Subsidiary's Profit / Loss so far as it concerns the members of Krypton Industries Ltd.
 - a) Not dealt with in the Accounts of Krypton Industries Ltd. :
 - i) For the subsidiary's financial year ended 31st March, 2009. : Rs. (60,40,310)/-
 - ii) For the previous financial years of the Subsidiaries since it became subsidiary of Krypton Industries Ltd. : Rs. 3,94,62,715/-
 - b) Dealt with in the Accounts of Krypton Industries Ltd.
 - i) For the subsidiary's financial year ended 31st March, 2009. : Nil
 - ii) For the previous financial years of the Subsidiaries since it became subsidiary of Krypton Industries Ltd. : Nil

/// KRYPTON INDUSTRIES LIMITED

(Rs. in Thousand)

DETAILS OF SUBSIDIARIES

SL. NO.	PARTICULARS	ECO WHEELS PVT. LTD.	KRYPTON DEVELOPERS LTD.	KRYPTON INDUSTRIES (SUZHOU) CO. LTD.
1.	REPORTING CURRENCY	INR	INR	INR
2.	CAPITAL	11000.00	500.00	32816.83
3.	RESERVES	44203.64	-	-
4.	TOTAL ASSETS	92886.91	526.98	53680.80
5.	TOTAL LIABILITIES	92886.91	526.98	53680.80
6.	DETAILS OF INVESTMENTS (OTHER THAN INVESTMENT IN SUBSIDIARIES)	1950.00	-	-
7.	TURNOVER	41925.31	-	8583.62
8.	PROFIT BEFORE TAX	(6782.41)	1.47	(12447.34)
9.	PROVISION FOR TAXATION	1252.92	-	-
10.	PROFIT AFTER TAX	(8035.33)	1.47	(12447.34)
11.	PROPOSED DIVIDEND	-	-	-

NOTES -

1. The figures stated above, have been reclassified whenever necessary to confirm that the classification in the financial statements for the year ended March 31, 2009.

/// KRYPTON INDUSTRIES LIMITED

ATTENDANCE SLIP

(To be presented at the entrance)

19TH ANNUAL GENERAL MEETING ON WEDNESDAY, 30TH SEPTEMBER, 2009
at Krypton Industries Ltd., (Footwear Division), Diamond Harbour Road (Opp. Rasoi Factory)
Bangaganar, 24 Parganas (South), Pin-743 513, West Bengal

Folio No. DP ID No. Client A/c No.
Name of Shareholder
Signature of the Shareholder
(only shareholders/proxies are allowed to attend the meeting)

/// KRYPTON INDUSTRIES LIMITED

PROXY FORM

I/We of being a member(s) of Krypton Industries Ltd.
hereby appoint of in the district of
..... in the state of
as my/our proxy to attend and vote for me/us and on my/our behalf at the 19th Annual General Meeting of Krypton Industries Ltd. to be held on 30th September, 2009 and at any adjournment thereof.

Folio No.
DP ID No. Client A/c. No.
Signed this day of 2009



Signature across Revenue Stamp

BANK ACCOUNT PARTICULARS/ECS MANDATE FORM

I/We do hereby authorise Krypton Industries Limited to

* print the following details on my/our dividend warrant.

* credit my dividend directly to my Bank Account by ECS.

(* Strike out whichever is not applicable)

Particulars of Bank Account

A. Branch Name

B. Branch Name

Address (For Mandate only)

C. 9 Digit Code number of the Bank & Branch

as appearing on the MICR cheque

D. Account type (Savings/Current/Overdraft)

E. Account No. as appearing on the cheque Book

F. STD Code & Telephone No.

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

Mail to:

Maheshwari Datamatics (P) Ltd.

6, Mangoe Lane, 2nd Floor

Kolkata - 700 001

My/our Folio No.

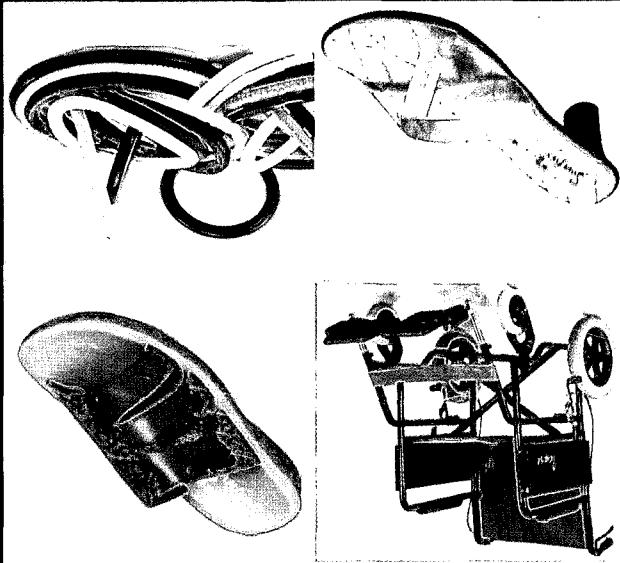
DP ID No. Client A/c No.

Signature of the Shareholders

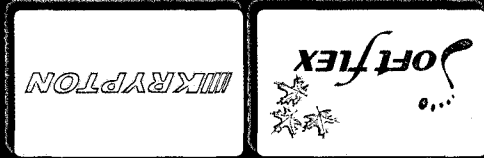
Please attach the photocopy of a cheque or a bank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the 9 digit code number.

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