

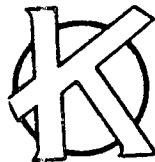
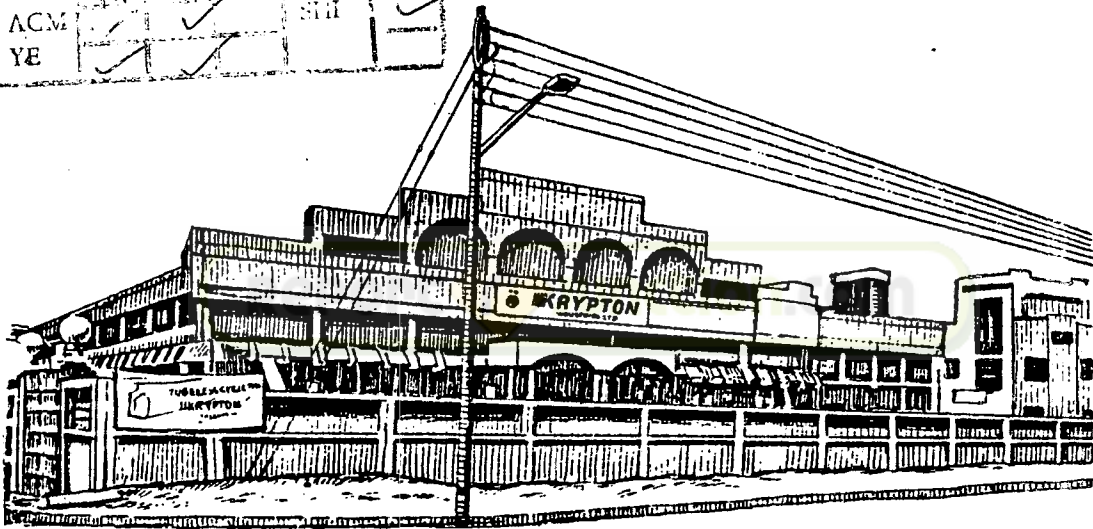
Certified to be True Copy
For Krypton Industries Ltd.

San J. R. R.
Managing Director



8th Annual Report 1997 - 98

MD	✓	BKC	✓
CS	NA	DEY	NA
RO	✓	DEV	NA
TRA	NA	AC	✓
ACM	✓	SH	✓
YE	✓		



KRYPTON INDUSTRIES LIMITED
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KRYPTON INDUSTRIES LIMITED

BOARD OF DIRECTORS	:	S. K. JALAN - Chairman (up to 23-04-98)
J. S. BARDIA	:	Managing Director
T. C. BACHHAWAT	:	Director
ANIL KUMAR SIPANI	:	Director
TANSUKH GULGULIA	:	Director
SHIKHAR CHAND BAID	:	Director

C. E. O.	:	P. L. BARDIA
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BANKERS	:	Bank of Baroda International Business Branch Ruby House, 8, India Exchange Place Calcutta-700 001.
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AUDITORS	:	M/S. JAGDISH AGARWAL & ASSOCIATES Chartered Accounts 446, City Centre 19, Synagogue Street Calcutta-700 001
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REGISTERED OFFICE	:	FALTA EXPORT PROCESSING ZONE
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SHARE DEPARTMENT & WORKS	:	Sector-1, Plot 31 & 32 Falta, 24 Paraganas (S) Pin-743504, West Bengal
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HEAD OFFICE	:	410, Vardaan Building 25A, Camac Street Calcutta-700 016.
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KRYPTON INDUSTRIES LIMITED**ISO 9002 COMPANY****NOTICE**

Notice is hereby given that the 8th annual General Meeting of the Members of Krypton Industries Ltd. will be held at its Registered Office at Falta Export Processing Zone, Sector-1, Plot 31 & 32 Falta, 24 Paraganas (S) Pin-743504, West Bengal, on Saturday, the 26th September, 1998, at 1 p. m., to transact the following business :

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.1998 and Profit & loss Account for the year ended as on that date, of the Company, together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. T. C. Bachhawat who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors and to fix their remuneration.

AS SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modification (s) the following resolution as an Ordinary Resolution :
"RESOLVED THAT Sri Anil Kumar Sipani be and is hereby appointed as Director of the company".
5. To consider and if thought fit, to pass with or without modification (s) the following resolution as an Ordinary Resolution :
"RESOLVED THAT Sri Sikhar Chand Baid, be and is hereby appointed as Director of the company".
6. To consider and if thought fit, to pass with or without modification (s) the following resolution as an Ordinary Resolution :
"RESOLVED THAT Sri Tansukh Gulgulia, be and is hereby appointed as Director of the company".
7. To consider and if thought fit, to pass with or without modification (s) the following resolution as an Ordinary Resolution.
"RESOLVED THAT the company hereby accords its approval and consent under section 198, 269, 309 and other applicable provisions, if any, read alongwith Schedule XIII of the companies Act, 1956 and all other applicable statutory provisions, if any, to the appointment of Mr. Jay Singh Bardia as Managing Director of the Company, for a further period of five years with effect from 1st January'1998 on the following terms of remuneration.

a) Salary	:	N I L (till the company out of the purview of B I F R)
b) Commission	:	N I L (till the company out of the purview of B I F R)
c) Perquisites & Allowances	:	(i) Provision of car for use on company's business & (ii) Telephone at residence.

Registered Office :

Falta Export Processing Zone

Sector-1, Plot-31&32

Falta, 24, Paraganas (S) Pin-743504, West Bengal

Date : 7th August, 1998

By Order of the Board

J. S. BARDIA

Managing Director

KRYPTON INDUSTRIES LIMITED**NOTES**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. A proxy in order to be effective, must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
3. The register of members and Share Transfer Book of the company will remain closed from 18th September, 1998 to 26th September 1998. (Both days inclusive)
4. Members are requested to intimate change of address, if any, to the company on or before 26th September, 1998.
5. Members are requested to bring the copy of this Annual report and attendance slip with them while attending the Annual General meeting.
6. An Explanatory Statement pursuant to section 173 of the Company's Act, 1956 in respect of the business as per item nos. 4 to 7 hereinabove, is connected hereto.

Registered Office :

FALTA EXPORT PROCESSING ZONE

Sector-I, Plot-31 & 32

Falta, 24, Paraganas (S) Pin-743504, West Bengal

Date : 7th august, 1998

By Order of the Board

J. S. BARDIA

Managing Director

ANNEXURE OF THE NOTICE**Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 :-****ITEM NO. 4**

Mr Anil Kumar Sipani was appointed as an additional Director of the company with effect from 13.04.1998 & his terms of office expires at the conclusion of this Annual General Meeting.

The Company has received a notice from a member under section 257 of the Company's Act, 1956 proposing the candidature of Mr. Sipani as a Director of the company.

The Board recommends the resolution for approval of the share holders.

Mr. Anil Kumar Sipani is interested or concerned in the proposed resolution. None of the other Directors are interested or concerned in the proposed resolution

ITEM NO. 5

Mr. Sikhar Chand Baid was appointed as an additional Director of the company with effect from 07.06.1998 & his terms of office expires at the conclusion of this Annual General Meeting.

The Company has received a notice from a member under section 257 of the Company's Act, 1956 proposing the candidature of Mr. Baid as a Director of the company.

KRYPTON INDUSTRIES LIMITED

The Board recommends the resolution for approval of the share holders.

Mr. Sikhar Chand Baid is interested or concerned in the proposed resolution. None of the other Directors are interested or concerned in the proposed resolution.

ITEM NO. 6

Mr Tansukh Gulgulia was appointed as an additional Director of the company with effect from 07.08.1998 & his terms of office expires at the conclusion of this Annual General Meeting.

The Company has received a notice from a member under section 257 of the Company's Act, 1956 proposing the candidature of Mr. Gulgulia as a Director of the company.

The Board recommends the resolution for approval of the share holders.

Mr. Tansukh Gulgulia is interested or concerned in the proposed resolution. None of the other Directors are interested or concerned in the proposed resolution.

ITEM NO. 7

Mr. Jai singh Bardia was appointed as executive director for a period of five years with effect from 1st January, 1993 and his tenure ended on 31st December, 1997. The Board of Directors at their meeting held on 24th December, 1997 has reappointed Mr. Jai Singh Bardia as managing director for a further period of five years effective 1st January, 1998 upon the terms & conditions contained in the agreement to be entered into between the company of Mr. Bardia upon receipt of the approval of the members, which are as follows :

1. Period of appointment : Five years from 1st january, 1998.
2. Salary : NIL (till the company is out of the purview of BIFR)
3. Commission : NIL (till the company is out of the purview of BIFR)
4. Perquisites : Provision of car for use on company's business and telephone at residence shall not be considered as perquisites, personal long distance calls on telephones and use of car for private purposes shall be billed by the company to the Director.
5. Other terms : (i) He shall be entitled to reimbursement of all actual expenses including on travelling and entertainment reasonably incurred in the course of the company's business.
(ii) He shall not be entitled to any fees for attending meetings of the Board of Directors or committee thereof.
(iii) Either party is entitled to terminate the agreement by giving three months notice in writing.

None of the Directors except Mr. J. S. Bardia is concerned or interested in the said ordinary resolution.

This Explanatory Statement is and should be treated as an abstract under section 302 of the Companies Act, 1956 of the agreement to be entered into between the company and Mr. J. S. Bardia.

KRYPTON INDUSTRIES LIMITED**DIRECTORS REPORT****To****The Share holders,**

The Directors have pleasure in presenting the 8th annual Report for the year ended 31.03.98.

FINANCIAL PERFORMANCE**(Rupees in '000')**

Sales and other income	11006.05
Gross Profit	1378.82
Interest	17744.69
Depreciation	2529.55
Amortization of Preliminary and Share issue	
Expenses	275.20
Net Profit/(loss)	(19170.62)

OPERATIONAL REVIEW

During the year under review the company could not perform very well due to less sales order from overseas market which resulted into a net loss before taxation amounting Rs 19170.62 thousand. In anticipation of possible orders and to maintain the level of production at about 10%, closing stock of finished goods resulted in to increase by Rs.3093.86 thousand.

The company has already made a reference to The Board of Industrial and Financial Reconstruction (BIFR) U/S.15. The sick industrial companies (Special provisions) Act, 1985. The case has been admitted by the BIFR and first hearing of the case was made on 8th January, 1998 in which after hearing the submissions and having regard to the available information the Bench decided to appoint Bank of Baroda, banker of the company, as the Operating Agency U/S .16(2) of the SIC (SP) Act, 1985. Moreover, next date for hearing is scheduled on 26-08-1998.

A show cause Notice dated 14-07-1998 U/S 4L for action U/S 4I of Imports & Exports (Control) Act, 1947 and Sec 20 (2) of the Foreign Trade (Development and Regulation) Act, 1992 has been received from Additional Director General of Foreign Trade in the office of Director General of Foreign Trade. In the Notice, the Authority has questioned the company for non fulfillment of Export obligation. A proper reply will be submitted to the concerned Authorities to their satisfaction. Moreover, the company has been able to get its Letter of Intent (LOI) renewed for a further period of 5 years. With ISO 9002 and continuous efforts by Research and Development Department of the company, your company is expecting a break through in the overseas market. Moreover, we are happy to inform you that the company has substantial positive net foreign currency earnings during the year under review.

The company has pending Income Tax demand of Rs. 50.11 lakhs for the Assessment Year 1992-93 for which an appeal is pending before the Income Tax Appellate Tribunal. Moreover, a sum of Rs. 11.845 lakhs has been already paid by the company (under protest) against the same.

FUTURE PROSPECTS**ISO 9002**

We are proud to inform you that your company has been able to obtain Certificate for ISO 9002. We hope the Quality Certificate will increase the overseas marketability of the product.

KRYPTON INDUSTRIES LIMITED

AUDITORS' REPORT

The Auditors' Report is self explanatory and does not warrant any comment.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 Mr. T. C. Bachhawat will retire at the forthcoming Annual General Meeting but being eligible has offered himself for reappointment.

Mr. S. K. Jalan relinquished his directorship with effect from 23rd April, 1998. The Directors placed on record their warm appreciation of the valuable guidance and help extended by Mr. S. K. Jalan during his tenure as Director of the company.

FIXED DEPOSIT

The Company has neither invited nor accepted any deposit from the public during the year under review.

PERSONNEL

There is no employee in the employment of the Company falling within the purview of Section 217 (2) A of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO :

The details as required under section 217 (1) (E) of the companies Act, 1956 read with the companies (Disclosures of Members Particulars in the report of the Board of Directors), Rules, 1988 are appended as annexures to the report hereinafter.

AUDITORS

M/s. Jagdish Agarwal & Associates, Chatered Accountants, auditors of the company will retire at the conclusion of the forthcoming Annual General Meting but have indicated their willingness to be available for reappointment, your Directors recommend for their reappointment.

APPRECIATION

Your Directors express their grateful appreciation and sincere thanks to various departments of Central and State Government, Financial Institutions and Banks for their valuable assistance during the period under review. Your Directors wish to place on record deep sense of appreciation of the devoted services rendered by the Executives, Officers, Staff and Workers of the company at all levels and for the trust and confidence reposed in the Company by the shareholders.

Registered Office :

FALTA EXPORT PROCESSING ZONE

Sector-1, Plot 31 & 32

Falta, 24 Parganas(S)

Pin-743504, West Bengal

Dated : 7th August, 1998

For & on behalf of the Board

J. S. Bardia

Managing Director