

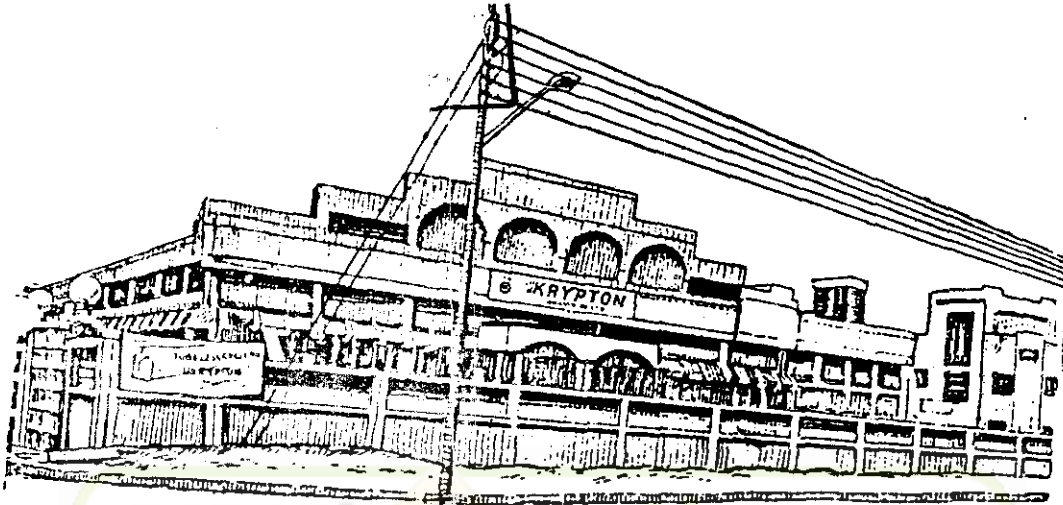
Certified to be True Copy
For Krypton Industries Ltd.

Say — in Pub

Managing Director



10th Annual Report 1999-2000



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/// KRYPTON INDUSTRIES LIMITED
100% PUNCTURE PROOF TYRES

////KRYPTON INDUSTRIES LIMITED**BOARD OF DIRECTORS :**

JAY S. BARDIA : Managing Director

T. C. BACHHAWAT : Director

ANIL KUMAR SIPANI : Director

TANSUKH GULGULIA : Director

SHIKHAR CHANDBAID : Director

P. L. BARDIA : Chief Executive Officer

SHYAMALI GHOSH : Compliance Officer

BANKERS : BANK OF BARODA
International Business Branch
Ruby House
8, India Exchange Place
Calcutta - 700 001.

AUDITORS : M/S. JAGDISH AGARWAL & ASSOCIATES
Chartered Accountants
446, City Centre
19, Synagogue Street
Calcutta - 700 001.

REGISTERED OFFICE : FALTA EXPORT PROCESSING ZONE

SHARE DEPARTMENT
&
WORKS : Sector - 1, Plot 31 & 32
Falta, 24 Paraganas(s)
PIN - 743504, West Bengal

HEAD OFFICE : 410, Vardaan Building
25A, Camac Street, 4th Floor
Calcutta - 700 016.

ISO 9002 Company

KRYPTON INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 10th 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, 16th September, 2000 at 1 p.m. to transact the following business :

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 and Profit & Loss Account for the year ended as on that date, of the Company together with reports of the directors and Auditors thereon.
2. To appoint a Director in Place of Mr. Tansukh Gulgulia who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors and to fix their remuneration.

Registered Office :
Falta Export Processing Zone, Sector - 1, Plot 31 & 32
Falta, 24 Paraganas (S), Pin - 743504, West Bengal
Date : 21st July, 2000

By order of the Board
Jay S. Bardia
Managing Director

NOTES

1. A Member entitled to 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 Member and Share Transfer book of the Company will remain closed from 8th September, 2000 to 16th September, 2000 (both days inclusive).
4. Members are requested to intimate change of address, if any, to the Company on or before 16th September, 2000.
5. Members are requested to bring the copy of this Annual Report and attendance slip with them while attending the Annual General Meeting.
6. As per the provisions of the amended Companies Act, 1956, facility for making nomination is now available to the shareholders in respect of the shares. Willing Shareholders may make nomination in the prescribed form for nomination.

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Jay S. Bardia
Managing Director

///KRYPTON INDUSTRIES LIMITED**DIRECTORS' REPORT****To****The Share Holders,**

The Directors have pleasure in presenting the 10th Annual Report for the year ended 31-03-2000.

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

Sales and other income	41379.74
Gross Profit	11614.22
Interest	4893.61
Depreciation	2772.65
Amortization of Preliminary and Share issue Expenses	275.19
Net Profit	3672.77

OPERATION REVIEW

A rehabilitation Scheme with Technical viability and Economic Feasibility has been submitted by Bank of Baroda before the Board for Industrial and Financial Reconstruction (BIFR). we are very much hopeful that it will be approved by BIFR. The company successfully achieved the target of export sales during the 1st year of the scheme.

During the year under review the company performed well due to more sales orders from overseas market which resulted in net profit after taxation amounting Rs. 3672.77 thousands. In anticipation of possible orders and to maintain the level of production at about 32% of installed capacity, closing stock of finished goods resulted into increase by Rs. 627.39 thousands. The Company Successfully introduced its products in Australia, South Africa and Thailand. Now our tyres are used as a quality product in whole europe, Australia, Taiwan and South Africa. The company have started manufacturing of "HAMMOCK" Textile Product and exported to U. K. The product is approved by overseas buyers and company expect a big order in near future. The company is trying to enter in the business of computer technology.

The Development Commissioner, FEPZ have renewed our Letter of Indent (LOI) for 5 years from 1998 to 2003 and they are satisfied with our performance

DEMATERIALISATION OF SECURITIES

Pursuant to Resolution passed at the Extra Ordinary General Meeting of the company held on 11th May, 2000, the company has applied to National Securities Depository Ltd (NSDL) for joining the Depository System, which will facilitate scripless trading. The Company shall be entitled to dematerialise or rematerialise its shares and securities (both the existing and future) held by it with the depository and offer its shares, debentures and other securities for subscription in dematerialised form pursuant to the Depositories Act, 1996 and the Rules and Regulations framed thereunder, if any.

The dealing in shares in electronic form will eliminate loss, theft mutilation, bad deliveries, forgeries, fake certificate, fraudulent transfers & transmissions, physical handling of share certificate and reduction in transactional costs to the investor.

ISSUE OF EQUITY SHARE

In order to meet the financial requirements for diversification into Information Technology Sector, Computer and Software business and for repayment of secured and unsecured loans of the company to reduce / eliminate the interest burden on the company as well as for working capital requirements, the special resolution was passed on 11th May, 2000 at EGM to authorise the Board of Directors to issue and allot 36,99,600 Equity Shares of Rs. 10 each. The Board is estimating the exact requirements based on the extent of diversification and other requirements.

///KRYPTON INDUSTRIES LIMITED.**FUTURE PROSPECTS****ISO 9002**

The Company have passed successfully in half yearly audits by KPMG. The Company's products are now widely sold in European market as a quality product and big manufacturers of wheel chairs have started to put our tyres as original components. The big Wheel traders have also shown great interest in our tyres and are buying regularly from us. Your Company is very hopeful that this year will result in higher Net Profit.

YEAR 2000 COMPLIANCE

No Hardware or Software problems relating to the Y2K were reported during the course of transition to the new Millenium.

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. Tansukh Gulgulia will retire at the forthcoming Annual General Meeting and being eligible has offered himself for reappointment.

FIXED DEPOSIT

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

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 thereunder.

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 Particulars in the Report of Board of Directors), Rules, 1988 are appended as Annexures to the Report hereinafter.

AUDITORS

M/s. Jagdish Agarwal & Associates, Chartered Accountants, Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting 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, Bank of Baroda for their valuable assistance and 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.

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For & On behalf of the Board
Jay S. Bardia
Managing Director

///KRYPTON INDUSTRIES LIMITED**ANNEXURE TO THE DIRECTORS' REPORT**

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

(A) CONSERVATION OF ENERGY		1999-2000	1998-99
A. POWER AND FUEL CONSUMPTION			
a) Purchased Units (in lacs)		2.23	1.63
Total Amount (Rs. in Lacs)		13.86	11.50
Rate/Unit (in Rs.)		6.21	7.05
b) Own Generator		-	-
c) Coal		-	-
B. CONSUMPTION PER UNIT OF PRODUCTION			
Production (pcs in lacs)		2.74	1.43
MCP Tubeless Tyres			
Electricity per pcs (units)		0.82	1.14
MCP Tubeless Tyres			

(B) INFORMATION FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION,**1. Specific areas in which where R & D carried out by the Company :**

The company has taken up programme to improve production process and working on creating new production system to achieve better efficiency of the whole system.

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

The target is to achieve an overall increase in efficiency by 25% in productivity after implementation of the programme. The whole programme is still under development and will be implemented in next 3 (three) months. Which will again help the company.

3. Future Plan of Action :

The company will carry on its efforts in developing systems which will allow the company to become more competitive in the market place.

FOREIGN EXCHANGE EARNINGS AND OUTGO		1999-2000	1998-1999
		(Rupees in '000)	
1. (A) Foreign Exchange Earnings		40930.86	22422.99
2. (B) Foreign Exchange Outgo			
i) CIF Value of Imports			
Raw Materials		17246.89	11948.48
Spare Parts		1223.04	957.63
ii) Others		350.50	462.27

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For & On behalf of the Board
 Jay S. Bardia
 Managing Director