



11th Annual Report 2000 - 2001



MIKRYPTON INDUSTRIES LIMITED
100% PUNCTURE PROOF TYRES

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

JAY. S. BARDIA	:	Managing Director
T. C. BACHHAWAT	:	Director
ANIL KUMAR SIPANI	:	Director
TANSUKH GULGULIA	:	Director
SHIKHAR CHAND BAID	:	Director
P. L. BARDIA	:	Chief Executive Officer
SHYAMALI GHOSH	:	Compliance Officer
BANKERS	:	BANK OF BARODA International Business Branch Ruby House 8, 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 SHARE DEPARTMENT & WORKS	:	FALTA EXPORT PROCESSING ZONE Sector - 1, Plot 31 & 32 Falta, 24 Parganas (S) PIN - 743 504, West Bengal
DEMAT REGISTRAR	:	MAHESHWARI DATAMATICS (P) LTD. 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001.
HEAD OFFICE	:	410, Vardaan Building 25A, Camac Street, 4th Floor Kolkata - 700 016.

ISO 9002 COMPANY

KRYPTON INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 11th 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 Parganas (S), PIN - 743504, West Bengal on Saturday, 18th August, 2001 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, 2001 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.

AS SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an "Ordinary Resolution," in supersession of the remuneration part of the resolution passed at the Annual General Meeting of the Company held on 26th September, 1998.

"RESOLVED that the company hereby accords its approval and consent under sec. 198, 269, 309, 310 and other applicable provisions if any read together with schedule XIII of the Companies Act, 1956 and all other statutory provisions, if any, to the remuneration payable to Mr. J. S. Bardia, Managing Director of the Company with effect from 1st April, 2001 until the expiry of his term of appointment i.e. until 31st December, 2002 as contained in supplemental agreement to be entered into between the company and Mr. J. S. Bardia, a draft whereof is placed before the meeting and for the purpose of identification is subscribed by the Chairman hereof, which Supplemental Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said Agreement as may be agreed to between the Board of Directors and Mr. J. S. Bardia provided however that the remuneration payable to Mr. J. S. Bardia should not exceed the maximum limits for payment of managerial remuneration in accordance with the laws, policies, rules, regulations or guidelines in force from time to time including subject to the overall ceiling of the total managerial remuneration for each year as provided under schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto."

Registered Office : FALTA EXPORT PROCESSING ZONE, Sector - 1, Plot 31 & 32
Falta, 24 Parganas (S), PIN - 743 504, West Bengal,
Date : 27th June, 2001

By order of the Board
Jay. S. Bardia
Managing Director

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 12th August, 2001 to 18th August, 2001 (both days inclusive).
4. Members are requested to intimate change of address, if any, to the Company on or before 18th August, 2001.
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 nominations is now available to the shareholders in respect of the shares. Willing Shareholders may make nomination in the prescribed form for nomination.
7. An explanatory statement pursuant to sec. 173 of the companies Act, 1956 in respect of Item No. 4 is annexed.

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By order of the Board
Jay. S. Bardia
Managing Director

Explanatory statement pursuant to Sec. - 173(2) of the Companies Act, 1956

ITEM NO. 4

Mr. J. S. Bardia was appointed as Managing Director of the Company for a period of 5 years with effect from 1st January, 1998 and it was approved in the AGM of the members held on 26th September, 1998. Mr. J. S. Bardia waived his salary and commission at the time of such appointment. Mainly due to untiring efforts of Mr. J. S. Bardia the company resulted in operational profit.

The Board of Directors at its meeting held on 14th June 2001 revised the terms of remuneration to the Managing Director subject to the approval of the Share holders on the following terms.

- | | |
|-----------------|---|
| (A) Salary | Rs. 25000/- per month |
| (B) Perquisites | (i) Medical Expenses and Medical Insurance for self and family
(ii) Personal Accident Insurance. |
| (C) Other Terms | (i) He shall be entitled to reimbursement of all actual expenses including on travelling and entertainment reasonably incurred in the course of 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, Managing Director is concerned or interested in the said ordinary resolution.

This explanatory statement together with the accompanying notice 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. The Board of Directors recommend the passing of the proposed resolution.

The copy of agreement referred to in the Notice and Explanatory Statement above is open for inspection at the Registered Office of the Company between 10 a.m. and 12 noon on all days except Sundays and holidays, until the date of the AGM or any adjournment or adjournments thereof.

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

Your Directors have pleasure in presenting the 11th Annual Report and Audited Accounts for the year ended 31st March, 2001.

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

Sales and other income	68713.84
Gross Profit	29984.17
Interest	7538.42
Depreciation	2830.72
Amortization of Preliminary and Share issue Expenses	275.19
Net Profit	19339.84

OPERATIONAL 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 very well due to more sales orders from overseas market which resulted in net profit after taxation amounting Rs. 19339.84 thousands. In anticipation of possible orders and to maintain the level of production at about 40% of installed capacity, closing stock of finished goods resulted into increase by Rs. 1579.76 thousands. The company successfully introduced its products in Australia, South Africa, and Taiwan. Now the tyres manufactured by your company are used as a quality product in whole Europe, Australia, Taiwan, and South Africa.

The slowdown in the software industry has caused a great concern to us and we have decided not to enter in this line of business until the situation does not improve.

DEMATERIALISATION OF SECURITIES

The Company successfully introduced the inhouse system of dematerialisation of scripts. The Company's Shares are now compulsorily traded in Demat form.

ISSUE OF EQUITY SHARE

The Company decided to postpone the entering into the information Technology, Computer and Software Technology Sector. So no fresh finance is required for the purpose.

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

The Company has succeeded in half yearly audits conducted by M/s. KPMG. The Company's products are well received in European market as a quality product and the big manufacturers of wheel chairs have started utilising your company's 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.

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 and Mr. Anil Kumar Sipani retire by rotation as director at the forthcoming Annual General Meeting, Mr. Anil Kumar Sipani is not seeking reappointment nor the company propose to appoint a director in his place.

FIXED DEPOSIT

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

DIRECTORS RESPONSIBILITY STATEMENT :

As required under Sec. 217 (2AA) of the Companies Act, 1956, the Directors confirm :

- i) that in the preparation of Annual Accounts, the applicable Accounting standards had been followed alongwith proper explanation relating to material departures.
- ii) that they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- iii) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) that they had prepared the annual accounts on a going concern basis.

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 informations 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 Annexures to the Report hereinafter.

AUDITORS

M/s. Jagadish Agarwal & Associates, Chartered Accountants, retire as Auditors of the Company at the conclusion of the forthcoming Annual General Meeting and have confirmed their eligibility & willingness to accept the office of the Auditors, if reappointed.

APPRECIATION

Your Directors would like to express their grateful appreciation and sincere thanks to bank of Baroda, various departments of Central and State Government, for their valuable assistance and cooperation received. Your Directors wish to place on record their deep sense of appreciation for 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 :

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Date : 27th June, 2001

For & On behalf of the Board
Jay. S. Bardia
Chairman

///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		
	<u>2000-01</u>	<u>1999-2000</u>
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased Units (in Lacs)	2.58	2.23
Total Amount (Rs. in Lacs)	13.62	13.86
Rate / Unit (in Rs.)	5.28	6.21
b) Own Generator
2. Coal, Furnace Oil, others
B. CONSUMPTION PER UNIT OF PRODUCTION		
Production (pcs in Lacs)	3.35	2.74
MCP Tubeless Tyres		
Electricity per pcs (units)	0.77	0.82
MCP Tubeless Tyres		
(B) 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. The Company is working on development of new formulations to increase the quality, reducing raw material consumption for each product.		
2. Benefits derived as a result of the above R & D :		
The company could achieve a substantial improvement in Raw material consumption per piece by introducing new formulation. The company has implemented these new programme in various product and now we are implementing on our main stream products.		
3. Future Plan of Action :		
The company is planning new formulation for different application & which can help the company in increasing its products range beyond tyres.		
(C) FOREIGN EXCHANGE EARNING AND OUTGO		
	<u>2000-01</u>	<u>1999-2000</u>
	(Rupees in '000)	
1. (A) Foreign Exchange Earnings	53111.35	40930.86
2. (B) Foreign Exchange Outgo		
i) CIF Value of Imports		
Raw Materials	19274.49	17246.89
Spare Parts	1463.85	1223.04
ii) Others	1526.40	350.50

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For & On behalf of the Board

Jay. S. Bardia

Managing Director