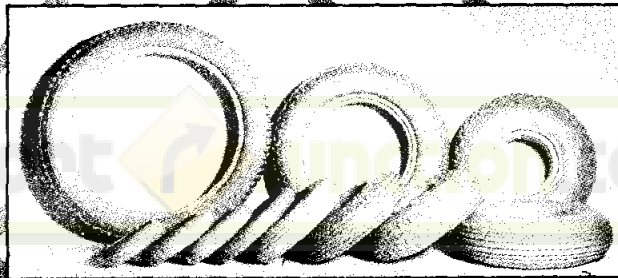




12th Annual Report 2001 - 2002



KRYPTON INDUSTRIES LIMITED
100% PUNCTURE PROOF TYRES

///KRYPTON INDUSTRIES LIMITED

BOARD OF DIRECTORS

JAY S BARDIA : Managing Director
T C BACHHAWAT : Director
TANSUKH GULGULIA : Director
SHIKHAR CHAND BAID : Director
ANIL KUMAR SIPANI : Director (upto 18/08/2001)
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 : Falta Export Processing Zone
 & Sector – 1, Plot 31 & 32
WORKS 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

///KRYPTON INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 12th 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 Wednesday 17th July, 2002 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, 2002 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. T. C. Bachhawat who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Shikhar Chand Baid who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors and to fix their remuneration.

As Special Business

5. To consider and if thought fit to pass with or without modification the following Resolution as special resolution.

"RESOLVED THAT pursuant to the provision of section 17 and other applicable provisions, if any of the companies Act, 1956 the Memorandum of Association of the Company be altered as follows -

- a) Under the main object clause IIIA, of the company, the following sub-clause be inserted as sub-clause no. 5
To carry on the business of manufacturers, producers, buyers, sellers, brokers, buying agents, selling agents, commission agents, factors, distributors, stockists, agents, traders, importers, exporters, suppliers, of and dealers in all kinds of tea, coffee, paper, paper board, Iron & Steel, chemicals, jute, jute goods, cloth, cement, food grains, fertilisers, electrical goods, sugar, automobile parts, rubber parts, including taking over of the whole of the unit or / and management of the affairs of any unit of the above mentioned industries including all work what so ever as are incidental or conducive to the carrying on of all such business in India or abroad.
- b) Under the main object clause IIIA, the following sub-clause be inserted as sub-clause no. 6
To purchase, acquire, take on lease, hire, erect, construct, improve, develop, charge, build, let-out, exchange, sale, work or deal in land, buildings, roof right, flat-rooms, offices, show rooms, shops, auditoriums, halls, markets, sheds, mines, factories, mills plants, plantations, farms and all such acts and things necessary in connection therewith and deal in building materials of all kind and builders stores and machinery.
- c) Under the main object clause IIIA, the following sub-clause be inserted as sub-clause no. 7
To carry on all or any of the business of Goldsmiths, Silversmith, Jewellers, and to act as commission agent, brokers, contractor, General Merchants, Traders, Manufacturer, Importers, Exporters, Buyers, Sellers, Indentors, Order Suppliers, Assemblers, Refiners, Miners, Packers, Stockists, Distributors, Advisors, Valuers, Electroplaters, or otherwise deal in bullion, gold plate, silver plate, metals, precious or semi precious stones, diamond, gold, plated articles, watches, clocks, cutlery, jewellery, ornaments, utensils, wares, objects of art, optical, scientific instruments, appliances, and such other articles and other allied goods as may be considered capable of being conveniently dealt in relation to its business.

"RESOLVED FURTHER THAT the board of Directors of the company be and is hereby authorised to take all necessary steps for implementation of the above special resolution.

6. To consider and if thought fit to pass with or without modification the following Resolution as special Resolution.

"RESOLVED THAT pursuant to the provisions of Sec.314 and other applicable provisions of the Companies Act 1956, the consent of the company be and is hereby accorded to Mr. P. L. Barida, a relative of the Managing Director of the Company, to hold an office or place of profit as Chief Executive Officer of the company at an increased total monthly remuneration of Rs.15000/- (Rupees Fifteen Thousand Only) which will be effective from 1st April, 2002 while other terms and conditions of appointment will remain unaltered."

7. To consider and if thought fit to pass with or without modification, the following resolution as an ordinary resolution :

"RESOLVE THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311 and other applicable sections of the companies Act, 1956, read with and in accordance with the conditions specified in Schedule XIII to the said Act, the approval of the company be and is hereby accorded to the reappointment of Mr. J. S. Bardia as Managing Director of the company for further period of 5 years commencing from 1st January 2003, who is not liable to retire by rotation, on the following terms of remuneration as contained in the Draft Agreement.

///KRYPTON INDUSTRIES LIMITED

a) Salary	: Rs. 40000/- per month.
b) Provident Fund	: Contribution to Provident Fund, Superannuation Fund, Annuity Fund in accordance with the Rules & Regulations of the Company.
c) Leave Travel Assistance	: As per the rules of the company
d) Gratuity	: As per the Gratuity Scheme of the Company payable at the end of the tenure / resignation / retirement.
e) Medical Expenses	: Reimbursement of Medical Expenses incurred and Mediclaim Insurance for self and family.
f) Telephone	: Telephone at Residence.
g) Leave Encashment	: Encashment of accumulated leave at the end of the tenure as per rules of the company.
h) Club Fees	: Fees of Club subject to a maximum of two Clubs, this will not include admission and life membership fees.
i) Personal Accident Insurance	: The annual premium of which does not exceed Rs. 10000/- per annum.
j) Other Terms	: He shall not be entitled to any fees for attending meetings of the Board of Directors or committee thereof. Either party is entitled to terminate the agreement by giving three (3) months notice in writing.

Registered Office : FALTA EXPORT PROCESSING ZONE
Sector - I, Plot - 31 & 32, Falta, 24 Parganas(S), Pin - 743 504, West Bengal
23rd May, 2002

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 11th July '2002 to 17th July '2002 (both days inclusive).
4. Members are requested to intimate change of address, if any, to the Company on before 17th July '2002.
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 Companies Act, 1956, facility for making nominations is 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. 5, 6 & 7 is annexed.

Registered Office : FALTA EXPORT PROCESSING ZONE
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23rd May, 2002

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

ANNEXURE TO THE NOTICE

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

ITEM NO. - 5

The company was incorporated to carry on the business of all or any of plastic and rubber products foamed plastics and all other plastic material of all kinds, more particularly tyers, tubes, semityers, tubeless tyers and moulded tyers of all types and for any type of vehicles along with other objects. The company inserted a new object in May 2000 for diversifying into information technology sector, computer and software business but due to slow down in the software industry the Board decided not to diversify in this line of business until the situation improves. Now, the company proposes to diversify into Tea, Jute, Jewellery and Construction business on opportunities being received. The new objects or a combination of them can be carried on under the current circumstances advantageously with the present business of export of tubeless tyers etc. The company is planning to diversify in the new business aggressively as market holds enormous opportunities in the domestic and global market. Since the business under reference are not within the main object clause of the Memorandum of Association.

///KRYPTON INDUSTRIES LIMITED

dum of Association of the Company, it is necessary that the same should be suitably altered to incorporate the proposed business in the Memorandum in the manner detailed in the Item No. 5 of the Notice. Any alteration of the object clause requires approval of the members by way of special resolution pursuant to sec. 17 of the Companies Act, 1956. The Special Resolution being the item no. - 5 in the notice is intended for the purpose.

The Board of Directors recommend the Special Resolution for the approval of the members.
None of the Directors is concerned or interested in the said resolution.

Item No. 6

Mr. P. L. Bardia is the Chief Executive Officer of the Company and looking after day to day business of the company and looking after day to day business of the company. He is continuing at the present scale of salary of Rs. 6600/- only from 01.04.1993. He did not ask for hike in the salary since then considering the financial position of the company, mainly due to untiring efforts of Mr. P. L. Bardia the company resulted in operating profit.

The Board of Directors recommend the Special Resolution for the approval of the members.

No Directors of the company except Mr. J. S. Bardia is concerned or interested in the said resolution.

Item no. 7

The Resolution seeks to obtain the members approval in respect of reappointment and remuneration of the company's Managing Director Mr. J. S. Bardia.

Mr. J. S. Bardia was reappointed as Managing Director effective 1st January 1998 for a period of 5 years vide Boards Resolution held on 24th December 1997.

The Current tenure of Mr. J. S. Bardia as Managing Director of the Company is due expire on 31.12.2002. at the meeting of the Board of Director has been reappointed for a further term of 5 years with effect from 1st January, 2003 and this reappointed as well as remuneration payable to him has to be approved by the company in General Meeting and hence the resolution has been placed for your approval. The draft agreement between the company and Mr. J. S. Bardia contains mainly the following terms and conditions.

1. Period of Agreement : Five (5) years from 1st January, 2003
2. Remuneration :
 - a) Salary : The Monthly salary payable to Managing Director has been increased from the present Rs. 25000/- p.m. to 40000/- p.m. with effect from 1st January 2003. Other terms of reappointment are as below.
 - b) Provident Fund : Contribution to Provident Fund, Superannuation Fund, Annuity Fund in accordance with the Rules And Regulations of the Company.
 - c) Leave Travel assistance : As per the rules of the company
 - d) Gratuity : As per the Gratuity Scheme of the Company payable at the end of the tenure / resignation / retirement.
 - e) Medical Expenses : Reimbursement of Medical Expenses incurred and Mediclaim Insurance for self and family.
 - f) Telephone : Telephone at Residence.
 - g) Leave Encashment : Encashment of accumulated leave at the end of the tenure as per rules of the company.
 - h) Club Fees : Fees of Clubs subject to a maximum of two Clubs. This will not include admission and life membership fees.
 - i) Personal Accident Insurance : The annual premium of which does not exceed Rs. 10000/- per annum.
 - j) Other Terms : He shall not be entitled to any fees for attending meetings of the Board of Directors or committee thereof. Either party is entitled to terminate the agreement by giving three (3) months notice in writing.

The above may be treated as an extract of the Draft Agreement proposed to be entered into between the company and Mr. Jay Singh Bardia pursuant to section 302 of the Companies Act, 1956.

The Draft Agreement to be entered into between the company and Mr. J. S. Bardia is available for inspection to the member of the company at its Registration Office on any working day upto the date of AGM between 10 A. M. to 1 P. M. The directors commend the said resolution for your approval.

None of the directors other than Mr. J. S. Bardia is interested or concerned in this resolution.

This may be treated also as an abstract pursuant to sec. 302 of the companies Act, 1956.

///KRYPTON INDUSTRIES LIMITED**DIRECTOR'S REPORT**

To

The Share Holders,

Your Directors have pleasure in presenting the 12th Annual Report and Audited Accounts for the year ended 31st March, 2002.

FINANCIAL PERFORMANCE

(Rupees in '000')

Sales and other income	90414.09
Gross Profit	30487.01
Interest	3632.19
Depreciation	3064.08
Amortization of Preliminary and Share issue Expenses	275.19
Net Profit	23515.55

OPERATIONAL REVIEW

During this year the company performed very well due to more sales orders from overseas market which resulted in net profit after taxation amounting Rs. 23516 thousands. In anticipation of possible orders and to maintain the level of production at about 66% of installed capacity, closing stock of finished goods resulted into increase by Rs. 207.7 thousands. The company successfully introduced its products in Australia, South Africa, Taiwan and China. Now the tyres manufactured by your company are used as a quality product in whole Europe, Australia, Taiwan and South Africa.

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

FUTURE PROSPECTS**BIFR**

The Rehabilitation Scheme with Technical Viability and Economic Feasibility has been approved by the Board for Industrial and Financial Reconstruction (BIFR). The company successfully achieved the target of export sales during this year of the scheme. The accumulated loss is reduced to Rs. 178.40 lacs and your company will be released from BIFR very soon.

WORKING PROSPECTUS

The company have sufficient orders in hand from its overseas buyers and hope that the balance of accumulated loss will be wiped out during the year.

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. T.C. Bachawat and Mr. Sikhar Chand Baid retire by rotation as director at the forthcoming Annual General Meeting, and being eligible offer themselves for reappointment.

///KRYPTON INDUSTRIES LIMITED**DIRECTOR'S REPORT Contd.....****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 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 at the end of the financial year and of the profit of the company for the period.
- iii) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with 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. Jagdish Agarwal & Associates, Chartered Accountants, 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 reappointed.

CORPORATE GOVERNANCE

Your Company in the process of implementation of Corporate Governance as required by clause 49 of the listing agreement with the Stock Exchange, Directors hope that these will be implemented within the financial year 2002-03.

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

FALTA EXPORT PROCESSING ZONE
Sector-1, Plot No. 31 & 32, Falta
24 Parganas (S), Pin- 743 504, West Bengal
Date : 23.05.2002

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