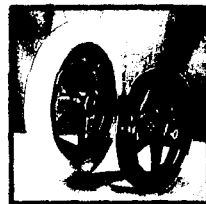
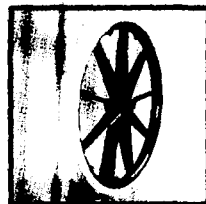


# 18th Annual Report 2007-2008



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## /// KRYPTON INDUSTRIES LIMITED



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AGM on Friday, October 24th, 2008

### Venue :

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

Time : 11.00 A.M.

**ALL SHAREHOLDERS ARE WELCOME**

# **/// KRYPTON INDUSTRIES LIMITED**

## **18TH ANNUAL REPORT**

### **BOARD OF DIRECTORS**

JAY. S. BARDIA	: MANAGING DIRECTOR
SHIKHAR CHAND BAID	: DIRECTOR (upto 29.09.2007)
PUNAM CHAND DAGA	: DIRECTOR (From 27.07.2007)
TANSUKH GULGULIA	: DIRECTOR
T.C. BACHHAWAT	: DIRECTOR

### **ADMINISTRATIVE**

P.L.BARDIA	: CHIEF EXECUTIVE
SANJAY KUMAR GARODIA	: COMPANY SECRETARY
BANKER	: 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 & WORKS - I	: FALTA SPECIAL ECONOMIC ZONE Sector-1, Plot No. 31 & 32 Falta, 24-Parganas (S) Pin – 743 504, West Bengal Phone: 91 31 7422227
WORKS -II	: P.O. & Village Banganagar, Diamond Harbour Road, 24-Parganas (S), West Bengal- 743513 Phone: 91 31 74241005
DEMAT REGISTRAR & SHARE TRANSFER AGENT	: MAHESHWARI DATAMATICS (P) LTD 6, Mangoe Lane, 2nd Floor Kolkata – 700 001 Phone: 033 224 35809/5029 Fax: 033 22484787
HEAD OFFICE	: 410, Vardaan Building 25A, Abanindra Nath Tagore Sarani, 4th Floor, Kolkata – 700016 Phone: 033 22871366 Fax: 033 22871084 Website: www.kryptontire.com E-mail : krypton@vsnl.com

# **IIII KRYPTON INDUSTRIES LIMITED**

## **NOTICE**

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Krypton Industries Limited will be held on Friday, the 24<sup>th</sup> day of October, 2008 at 11 A.M at Works-2 of the Company at P.O. & Village-Banganagar, Diamond Harbour Road, 24-Parganas (S), West Bengal-743513 to transact the following businesses:

### **ORDINARY BUSINESS :**

1. To consider and adopt the Accounts of the Company for the financial year ended 31<sup>st</sup> March 2008, 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.T.C.Bachhawat, 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 :**

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 the provisions of section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the company hereby accords its approval to the appointment and the terms of remuneration of Mr. Jay Singh Bardia as Managing Director of the company for a period of 3 (three) years with effect from 1<sup>st</sup> January 2008, who will not be liable to retire by rotation, on the terms and conditions set out in the Explanatory Statement annexed to the Notice convening the Annual General Meeting, including the remuneration payable to him in the event of loss or inadequacy of profits in any financial year not exceeding 5% of the net profits of the company in accordance with the Schedule XIII of Companies Act 1956 with a liberty to the Board of Director to alter and vary the terms and conditions in such manner as may be agreed to by and between the company and Mr. J. S. Bardia, provided however, such alteration are within the maximum limit laid down in the Companies Act 1956, for the time being in force."

"RESOLVED FURTHER that the remuneration payable to Mr. J. S. Bardia, Managing Director of the Company in case of loss or inadequate profit in any particular financial year, subject to not exceeding ceiling limit specified in the Schedule XIII of the Companies Act 1956, calculated in accordance with the effective capital of Company as on the last date of financial year immediately preceding the financial year in which the appointment is made."

#### ***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:29.08.2008

## IIII KRYPTON INDUSTRIES LIMITED

### NOTES:

1. 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.
2. 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.
3. **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 22<sup>nd</sup> October 2008.

4. Members, who wish to obtain information on the Accounts of the Company for the financial year ended 31<sup>st</sup> March 2008, 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.**
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 31.03.2008.
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.

## **IIII KRYPTON INDUSTRIES LIMITED**

12. The Register of Members and Share Transfer books will remain closed from 17<sup>th</sup> October, 2008 to 24<sup>th</sup> October, 2008 (both day inclusive)
13. The company has obtained necessary approval pursuant to the provisions of Sec.163 (1) for extension of date of holding the AGM vide approval of the Registrar of Companies, West Bengal dated 16.08.2008.

### **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 re-appointment and remuneration of the Company's Managing Director Mr. Jay Singh Bardia.

Mr. Jay Singh Bardia whose tenure as Managing Director of the Company expired on 31.12.2007, was reappointed as Managing Director of the Company pursuant to Section 198, 269 & 309 read with Schedule. XIII and other applicable provisions of the Companies Act. 1956, by the Board of the Directors of the Company for a period of 3 (three) years with effect from 1<sup>st</sup> January, 2008 who will not be liable to retire by rotation. The appointment is subject to approval by the shareholders by a special resolution and the remuneration including the minimum remuneration payable with effect from 1<sup>st</sup> April, 2008 which has been approved by the Remuneration Committee of the Board.

The Remuneration Committee has fixed the remuneration and the minimum remuneration payable in case of loss or inadequacy of the profits, as detailed below in its meeting held on 14<sup>th</sup> December, 2007. The Board in its meeting held on 7<sup>th</sup> January, 2008 approved the appointment and the Remuneration as approved by the Remuneration Committee.

#### **GENERAL INFORMATION :**

The Company is in the business of manufacturing and sale of Tubeless Tyres and other products Footwear, in Falta Special Economic Zone and Banganagar (West Bengal). The Company had a profit after tax of Rs. 137 Lakhs for the Financial year ended on 31<sup>st</sup> March, 2008. Earning in Foreign Currency in accrual basis for Exports (including Trading goods) was Rs. 562 Lakhs in the same period

#### **PROFILE OF MR. JAY SINGH BARDIA**

Mr. Jay Singh Bardia as of about 39 years. He is a Bachelor of Engineering (Electrical). He has rich experience of 15 years in the field of the Tyre manufacturing. He joined the Company on 1<sup>st</sup> Oct., 1992 as Additional Director and moved on to become the Managing Director of the Company in the year 1993. He is continuing as Managing Director since then.

Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person is not available.

There is no pecuniary relationship directly or indirectly with Company except as a Managing Director.

#### **OTHER INFORMATION :**

At present the Company is earning profit. Uncertainty in Foreign Trade due to international competition and fluctuations in Foreign Exchange may lead to inadequate profits in coming years. Company is taking all efforts to neutralise effect of the same.

Mr. Jay Singh Bardia was re-appointed as Managing Director with effect from 1<sup>st</sup> Jan, 08 for a period of 3 years vide Board Resolution held on 07.01.2008.

#### **TERMS OF APPOINTMENT :**

Period of Appointment : 3 years from 1<sup>st</sup> Jan., 2008

Position & Title : Managing Director under the Companies Act. 1956

The said appointment is subject to the approval of the members in the General Meeting. The terms and conditions of the re-appointment including remuneration payable to Mr.J.S.Bardia are as follows:-

**/// KRYPTON INDUSTRIES LIMITED**

1. Period of Appointment : 3 (Three) years from 1<sup>st</sup> January,08
2. Remuneration :
  - a) Salary : The monthly salary payable to Managing Director is Rs.2,00,000 with effect from 1<sup>st</sup> April, 2008, with a liberty to the Board to review and set the level from time to time.
  - 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 : Re-imbursement 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.15,000 p.a.
  - 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 3 (three) 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 sec. 302 of the Companies Act, 1956.

The terms and conditions of the said appointment and / or the Agreement are subject to the provisions of Section 198 and Section 309 of the Companies Act, 1956 and may be altered, and varied from time to time by the Board of Directors as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations.

However, the total remuneration including perquisites payable to Mr. J.S. Bardia under Schedule XIII shall not exceed 5% of the net profits of the company. In case of inadequacy of profits, the remuneration shall be payable in compliance with Schedule XIII of the companies Act,1956.

In compliance with the provisions of the Companies Act,1956 the appointment and terms of remuneration/ agreement specified above is available for inspection to the member of the company at the Registered office on any working day upto the date of AGM between 10A.M. to 1 P.M.

The Board recommends passing of the above Resolution as Special Resolution in the best interest of the Company.

None of the Directors, other than Mr. J.S.Bardia, is interested or concerned in the Resolution.

**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:29.08.2008



**/// KRYPTON INDUSTRIES LIMITED****Detail of Directors Seeking Appointment at the Annual General Meeting**

Particulars	Mr.T.C.Bachhawat
Date of Birth	07.12.1953
Date of Appointment	29.11.1995
Qualification	Chartered Accountant
Expertise in Specific Functional Area	Techno- Financial
Directorships held in other Public Companies (excluding Foreign Companies)	Two
Memberships/Chairmanships of Committees of other public Companies (Including only Shareholders /Investors Grievance Committee)	Nil
Number of shares held in the Company	6300

"Persons constituting 'Group' coming within the definition of group as defined in the Monopolies & Restrictive Trade Practices Act, 1969 for the purpose of inter 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

I-Brainz Infotech Private Limited

Digvijay Fin-Impex Private Limited

Hulash Chand Tara Chand Bardia (HUF)

Krypton Tyres Limited

Karma Health Care Limited



**IIII KRYPTON INDUSTRIES LIMITED****DIRECTORS REPORT**

To the Members,

Your Directors have pleasure in presenting the 18<sup>th</sup> Annual Report on business and operations of the Company and the Audited Financial statements for the year ended 31<sup>st</sup> March 2008.

**1. FINANCIAL RESULTS**

During the year under review, the company achieved an aggregate income of Rs1776.85 lakhs. The highlights of the financial results are as under:

	Rs. '000	
	<u>Current year</u>	<u>Previous Year</u>
Sales	173650.05	116457.67
Other Income	4034.71	3474.17
<b>GROSS TOTAL INCOME</b>	<b>177684.76</b>	<b>119931.84</b>
<b>Profit before Interest, Depreciation, Tax &amp; Extra Ordinary Item</b>	<b>33312.24</b>	<b>32230.09</b>
Interest	5667.22	3268.41
Depreciation	9037.08	5409.40
<b>Profit before Extraordinary Items and Tax</b>	<b>18607.94</b>	<b>23552.28</b>
Extraordinary Items	-	9.64
<b>Profit before Tax and after Extraordinary Items</b>	<b>18607.94</b>	<b>23542.64</b>
Provision for taxation	4886.14	7728.75
<b>Profit after Tax</b>	<b>13721.80</b>	<b>15813.89</b>
Balance in P&L A/C Brought Forward	36525.00	29048.68
Balance Available for Appropriation	50246.80	44862.57
<b>Proposed Dividend</b>	<b>0.00</b>	<b>6450.60</b>
<b>Tax on Proposed Dividend</b>	<b>0.00</b>	<b>1096.28</b>
<b>Transfer to General Reserve</b>	<b>686.10</b>	<b>790.69</b>
<b>Balance Carried to Balance Sheet</b>	<b>49560.70</b>	<b>36525.00</b>

**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 31<sup>st</sup> March, 2008 and plough back the profits of the company in its business.

**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 along with the statement pursuant to sec 212 of the Companies Act,1956,as approved by their respective Boards.

## III KRYPTON INDUSTRIES LIMITED

### 4. OPERATIONAL REVIEW

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

#### Tyre Division

The Tyre unit produced 3.77 lakhs pieces of Tyres and out of that sold 3.44 lakhs pieces and 0.52 lakhs pieces of Plastic Rim with Tyre were produced and sold. The total sales of the unit amounted to Rs.710.85 lakhs of which export sales amounted to Rs.562.11 lakhs constituting 78.96% of the total revenue. There was a decline in revenue generation due to reduction in the US\$, the transacted currency. However, the Profit before Tax to sales was marginally up during the year at 5.23% compared to 27.50% in the previous year.

#### Footwear Division

The footwear unit produced 12.96 lakhs pairs of PU Shoe Sole and 1.88 Lakh Pairs of PU Sandals and sold 12.87 lakh pairs of PU Shoe Sole and 1.78 Lakh pair of PU Sandals. The total sales of the Unit amounted to Rs1013.04 lakhs. The unit reported a profit of Rs.148.87 Lakhs during the year. The directors hope a better performance in the forthcoming year.

### 5. WORKING

Your company has performed satisfactory despite very big increase in raw material cost, change and the appreciation of Rupees against US\$, the transacted currency, resulting in reduction in overall profitability of the unit. Company could increase its overall sales during the year, that was the most important. Company has working on unit increasing sales realization and succeeding with most of its customers for the same.

Krypton have invested into different products and product developments during the year. outcome from these efforts will bring in results during this year and the future.

### 6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

#### A. Industry Structure & Developments:-

Krypton has posted a very good year with respect to the difficult market situation. As you know company has different products and now you can say that company has balanced its export as well as domestic sales, which has helped us to give a very good performance in these difficult times.

This year was a year where company has invested into future and to build new product lines which will start giving result from 2<sup>nd</sup> 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, have 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.