

/// KRYPTON **INDUSTRIES LIMITED**

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19th
Annual Report
2008-2009

CONTESTS

1. Notice to Shareholders	2
2. Directors' Report	7
3. Annexure to Directors' Report	14
4. Report on Corporate Governance	16
5. CEO / CFO Certificate	26
6. Auditors' Certificate on Corporate Governance	27
7. Auditors' Report & Annexure	28
8. Balance Sheet	32
9. Profit & Loss Account	33
10. Cash Flow Statement	34
11. Schedules forming Part of Balance Sheet	35
12. Balance Sheet Abstract	52
13. Auditors' Report on Consolidated Financial Statement	53
14. Consolidated Balance Sheet	54
15. Consolidated Profit & Loss Account	55
16. Consolidated Cash Flow Statement	56
17. Schedules forming part of Consolidated Statement of Accounts	57
18. Statement pursuant to Section 212 of the Companies Act, 1956	68
19. Details of Subsidiaries	69

AGM on Wednesday, September 30th, 2009

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**19th ANNUAL REPORT
BOARD OF DIRECTORS**

JAY. S. BARDIA	:	MANAGING DIRECTOR
PUNAM CHAND DAGA	:	DIRECTOR
T.C. BACHHAWAT	:	DIRECTOR
TANSUKH GULGULIA	:	DIRECTOR

ADMINISTRATIVE

P. L. BARDIA	:	CHIEF EXECUTIVE
SANJAY KUMAR GARODIA	:	COMPANY SECRETARY
BANKER	:	BANK OF BARODA International Business Branch 4, 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 - 1	:	FALTA SPECIAL ECONOMIC ZONE Sector-1, Plot No. 31 & 32 Falta, 24 Parganas (S) Pin-743 504, West Bengal Phone ; 91 33 74222227
WORKS - 2	:	P. O. & Village Banganagar, Diamond Harbour Road, 24-Parganas (S), West Bengal - 743 513 Phone : 91 31 74241005
HEAD OFFICE	:	410, Vardaan Building 25A, Apanindra Nath Tagore Sarani, 4th Floor, Kolkata - 700 016 Phone : 033 2287 1366 Fax : 033 2287 1084 Website : www.kryptontire.com E-mail : krypton@vsnl.com
DEMAT REGISTRAR & SHARE TRANSFER AGENTS	:	MAHESHWARI DATAMATICS (P) LTD. 6, Mangoe Lane, 2nd Floor Kolkata - 700 001 Phone : 033 2243 5809/5029 Fax : 033 2248 4787

/// KRYPTON INDUSTRIES LIMITED**NOTICE**

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of Krypton Industries Limited will be held at Works-2 of the Company at P.O. & Village-Banganagar, Diamond Harbour Road, 24-Parganas (S), West Bengal-743513 on Wednesday, the 30th day of September, 2009 at 11 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 2009, 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. Tansukh Gulgulia, 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:

4. 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 Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India or any other relevant authority from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions as might be required and subject to such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, the consent of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) is hereby authorised to accept, the Board be and is hereby authorised to create, issue, offer and allot equity shares of Rs.10/- each on Rights basis, provided that the total amount raised through the issuance of equity shares does not exceed Rs.11 Crores (Rupees Eleven Crores) including premium, if any, to eligible shareholders as on the record date through letter of offer at such par or premium as may be decided, in consultation with the Lead Managers and/or other Advisors or otherwise and on such terms and conditions as the Board may, in its absolute discretion deemed fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted or may be necessary in accordance with the terms of the offer, all such shares ranking pari-passu inter-se and with the existing Equity Shares of the Company in all respects."

"RESOLVED FURTHER THAT for the purpose of giving effect to the offer, issue or allotment of equity shares, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the entering into arrangements for appointment of agencies for managing, underwriting, marketing, listing, trading of equity shares issued, and to issue the offer document(s) and sign all deeds, documents and

/// KRYPTON INDUSTRIES LIMITED

writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to dispose of the unsubscribed portion of the new shares in such a manner as they think most beneficial to the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any Committee of Directors or anyone or more Directors of the Company."

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:14.08.2009

NOTES:

1. **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 28th September, 2009.

2. 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.
3. 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.
4. Members, who wish to obtain information on the Accounts of the Company for the financial year ended 31st March, 2009 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.**

/// KRYPTON INDUSTRIES LIMITED

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 31.03.2009.
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.
12. The Register of Members and Share Transfer books will remain closed from 22nd September, 2009 to 30th September, 2009 (both day inclusive)
13. Members, who hold the shares in dematerialized form are requested to bring their client ID and DP ID Nos. for easier identification of attendance at the meeting.

/// KRYPTON INDUSTRIES LIMITED

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 raising of funds through Right Issue of equity shares pursuant to the provisions of section 81(1A) of the Companies Act, 1956.

The Company plans to expand and modernize its existing manufacturing facilities in view of better economic prospects and to improve overall productivity of the company. The key expansion/modernization plans for which finance is required are detailed hereunder:

- 1) Expansion in production capacity and production range in PU tire and healthcare products.
- 2) Expansion in production capacity for sandal, shoes and uppers thereof.
- 3) Normal capital expenditure to improve overall productivity.
- 4) Retirements of short term debts.
- 5) General Corporate Purpose.

In order to part finance these plans, the company intends to raise resources by issue of Equity shares of the face value of Rs. 10/- each to the existing shareholders for a total amount not exceeding Rs. 11Crores.

The Directors recommend this Resolution for approval of the Shareholders.

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent they may be entitled to the equity shares that may be offered to them on rights basis or otherwise, applied for by them and allotted to them.

Registered Office:
Falta Special Economic Zone
Sector-1, Plot-31&32, Falta,
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West Bengal

By Order of the Board

Sanjay Kumar Garodia
Company Secretary

Date:14.08.2009

/// KRYPTON INDUSTRIES LIMITED

Detail of Directors Seeking Appointment at the Annual General Meeting

Particulars	Mr. Tansukh Gulgulia
Date of Birth	15th June, 1963
Date of Appointment	23rd September, 2003
Qualification	Bachelor of Commerce in Honours. Bachelor of Law (L.L.B.)
Expertise in Specific Functional Area	Practicing Tax Consultant having more than 25 years of vast and rich experience to his credit. The company regularly avails his guidance on Income Tax and other legal matters. His guidance and advices has contributed a lot in the progress of the company.
Directorships held in other Companies (excluding Foreign Companies)	(1) Eco Wheels Private Limited (2) Barons Polymers Private Limited
Memberships/Chairmanships of Committees of other Companies (Including only Shareholders/ Investors Grievance Committee)	Nil
Number of shares held in the Company	Nil

"Persons constituting 'Group' coming within the definition of group as defined in the Monopolies & Restrictive Trade Practices Act, 1969 for the purpose of interest 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
 Hulash Chand Tara Chand Bardia (HUF)
 Krypton Tyres Limited
 Karma Health Care Limited
 P. L. Bardia
 J. S. Bardia
 Vimala Devi Bardia
 Binod Kumar Sipani
 Alka Bardia
 Manju Sipani

/// KRYPTON INDUSTRIES LIMITED**DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting the 19th Annual Report on business and operations of the Company and the Audited Financial statements for the year ended 31st March 2009.

1. FINANCIAL RESULTS

During the year under review, the company achieved an aggregate income of Rs1742.60 lakhs. The highlights of the financial results are as under:

	Current year	Previous Year
	Rs in '000	
Sales	170283.18	173650.05
Other Income	3976.46	4034.71
GROSS TOTAL INCOME	174259.64	177684.76
Profit before Interest, Depreciation ,Tax	23524.28	33312.24
& Extra Ordinary Item		
Interest	10079.33	5667.22
Depreciation	9112.64	9037.08
Profit before Extraordinary Items and Tax	4332.31	18607.94
Extraordinary Items		
Profit before Tax and after Extraordinary Items	4332.31	18607.94
Provision for taxation	2884.80	4886.14
Profit after Tax	1447.51	13721.80
Balance in P&L A/C Brought Forward	49560.70	36525.00
Balance Available for Appropriation	51008.21	50246.80
Transfer to General Reserve	72.38	686.1
Balance Carried to Balance Sheet	50935.83	49560.70

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 31st March, 2009 and plough back the profits of the company in its business.

/// KRYPTON INDUSTRIES LIMITED

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 and Krypton Industries (SUZHOU) Limited along with the statement pursuant to sec. 212 of the Companies Act, 1956, as approved by their respective Boards.

4. SUBSIDIARY COMPANIES :

The company has three subsidiary companies, the details of which are as follows:
The details of investment in subsidiaries:-

- (1) Eco Wheels Private Limited: 8,27,100 Equity shares of RS. 10/- each fully paid up.
- (2) Krypton Developers Limited: 49,400 Equity shares of Rs. 10/- each fully paid up.
- (3) Krypton Industries (SUZHOU) Limited: 100% Capital investment.

The statement pursuant to Section 212 of the Companies Act, 1956 containing the details of the company forms part of this Annual Report.

In view of the exemption received from the Central Government vide letter No. 47/629/2009-CL-III dated August 4, 2009 the Audited Statement of Accounts, the Report of the Board of Directors and Auditors of the subsidiary companies are not annexed as required under section 212(8) of the Companies Act, 1956. However, information of each Subsidiary company for capital, reserve, total assets, total liabilities, details of investment, turnover, profit before taxation, provision for taxation and proposed dividend etc. have been disclosed in the consolidated balance sheet.. Moreover, Shareholders who wish to have a copy of the full annual accounts of the subsidiaries will be provided the same on receipt of written request from them. These documents will also be available for inspection by any shareholder at the Registered office of the company and of the subsidiary company on any day during business hours.

5. OPERATIONAL REVIEW

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

Tyre Division

The Tyre unit produced 2.90 lakhs pieces of Tyres and out of that sold 3.18 lakhs pieces and 0.33 lakhs pieces of Plastic Rim with Tyre were produced and sold. The total sales of the unit amounted to Rs.751.46 lakhs of which export sales amounted to Rs.575.01 lakhs constituting 76.52% of the total revenue. There was a decline in revenue generation due to reduction in the US\$, the transacted currency. The Profit before Tax to sales was marginally down during the year at 0.75% compared to 5.23% in the previous year.

Footwear Division

The footwear unit produced 11.04 lakhs pairs of PU Shoe Sole and 2.21 Lakh Pairs of PU Sandals and sold 11.13 lakh pairs of PU Shoe Sole and 2.30 Lakh pair of PU Sandals. The total sales of the Unit amounted to Rs.951.15 lakhs. The unit reported a profit of Rs.37.69 Lakhs during the year. The directors hope a better performance in the forthcoming year.