

**23RD ANNUAL REPORT  
BOARD OF DIRECTORS**

JAY S. BARDIA	:	MANAGING DIRECTOR
TANSUKH GULGULIA	:	DIRECTOR
T. C. BACHHAWAT	:	DIRECTOR
PRADEEP KUMAR SINGH	:	DIRECTOR

**ADMINISTRATIVE**

P. L. BARDIA	:	CHIEF EXECUTIVE
TARUN KUMAR DAS	:	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 - I	:	FALTA SPECIAL ECONOMIC ZONE Sector - 1, Plot No. 31 & 32 Falta, 24 Parganas (S), Pin - 743 504, West Bengal Phone : 91-3174-222227
WORKS - II	:	P. O. & Village Banganagar, Diamond Harbour Road 24-Parganas (S), West Bengal - 743 513 Phone : 91-3174-241005
WORKS - III	:	FALTA SPECIAL ECONOMIC ZONE Sector - 2, Plot No. 48, 24 Parganas (S) Pin - 743 504, West Bengal Phone : 91-3174-222262 / 67
WORKS - IV	:	FALTA SPECIAL ECONOMIC ZONE Sector - 2, 24 Parganas (S), Pin - 743 504, West Bengal Phone : 91-3174-222602
WORKS - V	:	FALTA SPECIAL ECONOMIC ZONE Sector - 2, Plot No. 49, 24 Parganas (S) Pin - 743 504, West Bengal Phone : 91-3174-222719
DEMAT REGISTRAR & SHARE TRANSFER AGENT	:	MAHESHWARI DATAMATICS (P) LTD. 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001 Phone : 033-22435809/5029, Fax : 033-22484787
HEAD OFFICE	:	410, Vardaan Building 25A, Abanindra Nath Tagore Sarani 4th Floor, Kolkata - 700 016 Phone : 033-22871366, Fax : 033-22871084 Website : <a href="http://www.kryptongroup.com">www.kryptongroup.com</a> E-mail : <a href="mailto:krypton@vsnl.com">krypton@vsnl.com</a>

**NOTICE**

NOTICE is hereby given that the Twenty Third Annual General Meeting of the members of Krypton Industries Limited will be held at Falta Special Economic Zone, Sector 1, Plot No. 31 & 32, P S Diamond Harbour, 24 Parganas (s), Pin 743504 on Friday, the 30th day of August, 2013 at 11.30 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, 2013, 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. Pradeep Kumar Singh, 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:-

**4. 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 three years with effect from 1st January 2014 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, the director of the Company in case of inadequacy of profit or loss 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

**Tarun Kumar Das**  
Company Secretary

Date : 29.05.2013

## KRYPTON INDUSTRIES LIMITED

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### 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. The instrument appointing the 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 Annual General Meeting i.e. by 11:30 A.M of 28/08/2013.
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, 2013 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. 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.

10. 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.
11. The Register of Members and Share Transfer books will remain closed from 20.08.2013 to 30.08.2013 (both day inclusive)
12. 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.

**GREEN INITIATIVE OF MCA**

Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paper less compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to kindly furnish your email id to Maheshwari Datamatics Pvt. Ltd (R&T of Krypton Industries Limited) at 6, Mangoe Lane, 2nd Floor , Kolkata -700 001 or email to **mdp@cal.vsnl.net.in**. Please ensure that you have indicated your Folio No. and as well as your consent to receive future communications from Krypton Industries Limited including Annual Reports etc through email at your registered email address.

Please help us to save the environment.

# KRYPTON INDUSTRIES LIMITED

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## **Annexure to the Notice**

**Extract of 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 expires on 31.12.2013, is reappointed as the 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 1st January, 2014 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 1st April, 2014 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 29.05.2013. The Board in its meeting held on 29.05.2013 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, Rehab products & its parts & PU Footwear in Falta Special Economic Zone and Banganagar (West Bengal). The Company had a profit after tax of Rs.39.90 Lakhs for the financial year ended on 31st March, 2013. Earning in Foreign Currency in accrual basis for Exports (including trading goods) was Rs. 1,033.01 Lakhs in the same period.

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

Mr. Jay Singh Bardia is of about 45 years of age is a Bachelor of Engineering (Electrical) and has rich experience of more than 18 years in the field of the Tyre manufacturing. He joined the Company on 1st October, 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. Although the uncertainty in the international market has affected the profit margin but the company was able to grow the top line due to better DTA sales and expect to grow continuously in future. The company is taking all the efforts to ensure sustained growth and profitability and neutralize the effect of slow international market condition.

Mr. Jay Singh Bardia is re-appointed as Managing Director with effect from 1st January, 2014 for a period of 3 years vide Board Resolution held on 29.05.2013.

### **TERMS OF APPOINTMENT :**

Period of Appointment	:	3 years from 1st January, 2014
Position & Title	:	Managing Director under the Companies Act, 1956

## KRYPTON INDUSTRIES LIMITED

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:-

1. Period of Appointment : 3 (Three) years from 1st January, 2014
2. Remuneration :
  - a) Salary : The monthly salary payable to Managing Director is Rs.2,50,000 with effect from 1st April, 2014, 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 Table B of 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 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.

# KRYPTON INDUSTRIES LIMITED

## ITEM NO. 2

Detail of Directors Seeking Re-Appointment at the forthcoming Annual General Meeting (in pursuance of clause 49 of the Listing Agreement)

<b>Name of Director</b>	<b>Mr. Pradeep Kumar Singh</b>
Date of Birth	15th January, 1962
Date of Appointment on the Board	8th December, 2010
Nationality	Indian
Qualification	M.A.
Expertise in Specific Functional Area	He has vast and rich experience in business administration. Real Estate, Transport & logistics are the area of his specialty. The company regularly avails his guidance on Business Policy and Strategy.  His guidance and advices has contributed a lot in the progress of the company.
Directorships held in other Companies (excluding Foreign Companies)	(1) Swastik Projects Limited (2) Vijayanand Nirman Private Limited (3) Tarachand Estates Private Limited (4) Indus Earth Movers & Infrastructure Pvt. Limited
Memberships/Chairmanships of Committees of other Companies (Including only) Shareholders / Investors Grievance Committee)	NIL
Number of shares held in the Company	NIL

Registered Office: Falta Special Economic Zone  
Sector-1, Plot-31&32, Falta  
24-Parganas (S), Pin-743504  
West Bengal

By Order of the Board

**Tarun Kumar Das**  
Company Secretary

Date: 29.05.2013

## DIRECTORS' REPORT

Dear shareholders,

Your Directors present the 23rd Annual Report together with the audited accounts of the Company for the year ended 31st March 2013.

### 1. FINANCIAL RESULTS

During the year under review, the company achieved an aggregate income of **Rs. 4308.09** lakhs. The highlights of the financial results are as under :

	Amount in (Rupees in '000)	
	Current Year 2012-2013	Previous Year 2011-2012
Sales	424931.01	321356.61
Other Income	5878.78	5169.73
<b>Gross Total Income</b>	<b>430809.79</b>	<b>326526.34</b>
<b>Profit before Interest, Depreciation &amp; Tax</b>	<b>37389.89</b>	<b>19646.40</b>
Interest	16583.69	12756.42
Depreciation	12816.45	7118.77
<b>Profit before Exceptional Items &amp; Extraordinary items and Tax</b>	<b>7989.75</b>	<b>(228.78)</b>
Exceptional Items	-	13741.82
<b>Profit before Tax and after Exceptional Items &amp; Extraordinary Items</b>	<b>7989.75</b>	<b>(13970.60)</b>
Provision for Taxation	3999.33	3229.88
<b>Profit after Tax</b>	<b>3990.42</b>	<b>(17200.48)</b>
Balance in P&L A/c brought Forward	48913.43	66113.91
Balance Available for Appropriation	97449.81	48913.43
Proposed Dividend	0.00	0.00
Tax on Proposed Dividend	0.00	0.00
<b>Transfer to General Reserve</b>	<b>0.00</b>	<b>0.00</b>
<b>Balance carried to Balance Sheet</b>	<b>97449.81</b>	<b>48913.43</b>

### 2. OVERVIEW AND REVIEW OF OPERATION

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

#### Tyre Division

The total income of the tyre division for the year 2012-13 amounted to Rs.1901.84 lakhs compared to Rs.1447.60 lakhs of in the previous year i.e. the total income has increased by about 31.38%.

The profit before tax amounted to Rs.8.15 lakhs as compared to loss of Rs.(52.05) lakhs previous year.



## **KRYPTON INDUSTRIES LIMITED**

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Company has taken necessary steps to increase the productivity and cost reduction of every product in general. With reorganizing of different merged units, overall performance will improve and overall operational cost will decrease.

### **Footwear division**

The total income of the footwear division for the year 2012-13 amounted to Rs.1781.51 lakhs compared to Rs.1761.03 lakhs in the previous year i.e. the total income has increased by about 1.16%.

The unit reported a loss before tax of Rs.(59.85) lakhs during the year compared to loss of Rs.(81.84) lakhs in the previous year.

The continuous increase in raw materials and slower market conditions have impacted the growth and profitability of this business.

The company has taken a comprehensive review of the situation and is taking steps to change the product and customer mix for a stable business and specifically adding overseas customers to its business. Company have retained all its customers and have good continuous orders in hand.

### **Wheel division [Formerly known as Eco Wheels Pvt. Ltd. (Wheel Division)]**

The total income of this unit being merged w.e.f. 1.04.2012 for the year 2012-13 amounted to Rs.1740.75 lakhs compared to Rs.1417.83 lakhs in the previous year i.e. the total income is being increased by 22.78%.

The unit reported the profit for the year 2012-13 amounted to Rs.135.50 lakhs compared to Rs. 101.06 lakhs in the previous year i.e. showing an increase of 34.08%.

The unit will further improve its performance due to new efficient increasing steps being taken and we will see results by mid of 2013 - 14.

### **Engineering division [Formerly known as Eco Wheels Pvt. Ltd. (Engg. Division)]**

The total income of this unit being merged w.e.f. 1.04.2012 for the year 2012-13 amounted to Rs.424.86 lakhs compared to Rs.358.08 lakhs in the previous year i.e. the total income is being increased by 18.65%.

The unit posted the loss for the year 2012-13 amounted to Rs.(74.16) lakhs compared to Rs.(51.55) lakhs in the previous year .

The division has inroads to more locations and the "iCare" brand of products are being recognized in the rehab care equipment market.

Company has always taken a long term view of this business and this year the company is expecting a much better performance due to weaker Rupee and stronger Chinese Yuan, as we have to compete with Chinese products in India as well as across the world. This currency situation will help us to increase our sales quickly.

### **Plastic division [Formerly known as Barons Polymer Pvt. Ltd.]**

The total income of this unit being merged w.e.f. 1.04.2012 for the year 2012-13 amounted to Rs.158.31 lakhs compared to Rs.136.09 lakhs in the previous year i.e. the total income is being increased by 16.33%.

The unit reported the loss for the year 2012-13 amounted to Rs.(9.23) lakhs compared to profit of Rs.9.50 lakhs in the previous year.

**3. 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, 2013 and plough back the profits of the company in its business.

**4. CONSOLIDATED FINANCIAL STATEMENTS & SUBSIDIARIES**

The Company is not required to prepare Consolidated Financial Statement as stipulated by clause 32 of the Listing Agreement as all the subsidiaries of the Company have now ceased to be its subsidiary.

**5. SUBSIDIARY COMPANIES**

At present, the company does not have any subsidiary as Eco Wheels Pvt. Ltd., subsidiary of the Company is now being amalgamated with the Company as per the order of Honorable High Court of Calcutta on dated 28.02.2013.

Krypton Developers Limited, subsidiary of the Company ceased to be a subsidiary, upon the sale of its shares by the Company on dated 30.03.2013 and the same were sold at the carrying amount, so there is no profit /loss on such sale.

**6. AMALGAMATION**

With respect to the application filed under section 391-394 of the companies Act, 1956, before the Honorable High Court of Calcutta for the Scheme of Amalgamation/ merger of the Eco Wheels Pvt. Ltd. (a subsidiary of the company), Barons Polymers Pvt. Ltd. and Krypton Tyres Limited (Transferor Companies) with Krypton Industries Limited (Transferee Company), the Honorable High Court at Calcutta has sanctioned the Scheme by its order on dated 28.02.2013 being effective from 19.03.2013. On coming into effect of the Scheme, the Transferor Companies stand amalgamated with the Company on a going concern basis from the appointed date i.e. 01.04.2011.

**7. CAPITAL EXPENDITURE**

The Company has further invested Rs.2.55 Crore in expansion programmes for the Footwear Division and MCP Tubeless Tyre Divisions.

We are pleased to inform that the expansion of footwear division been implemented successfully and they have started production and our company should get a very good benefit due to this investments in the future.

Whereas, the expansions program for the PU tyre division was delayed due to local political issues in implementing the construction schedules. Now this situation is resolved and the Company has started to implement the project. The production from new unit will start by October 2013.

**8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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