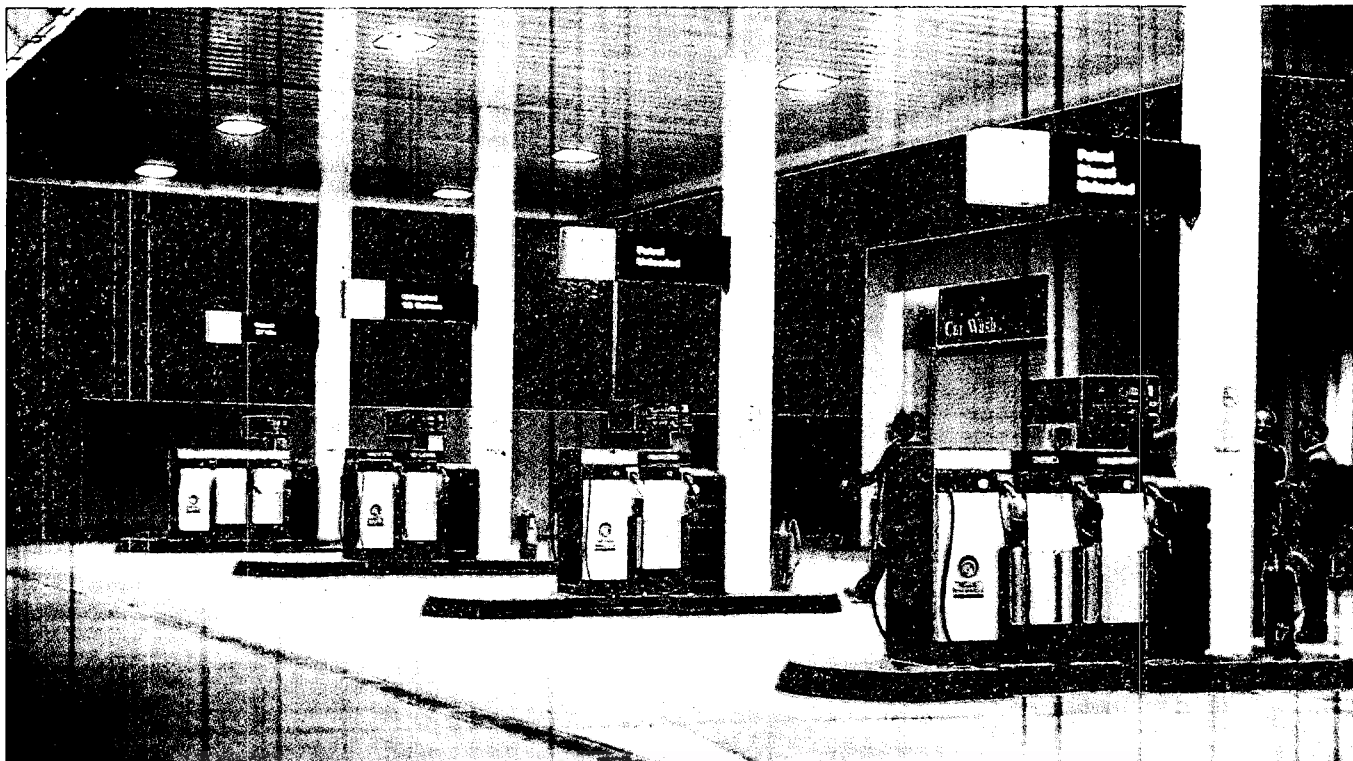


50TH ANNUAL REPORT 1996-97

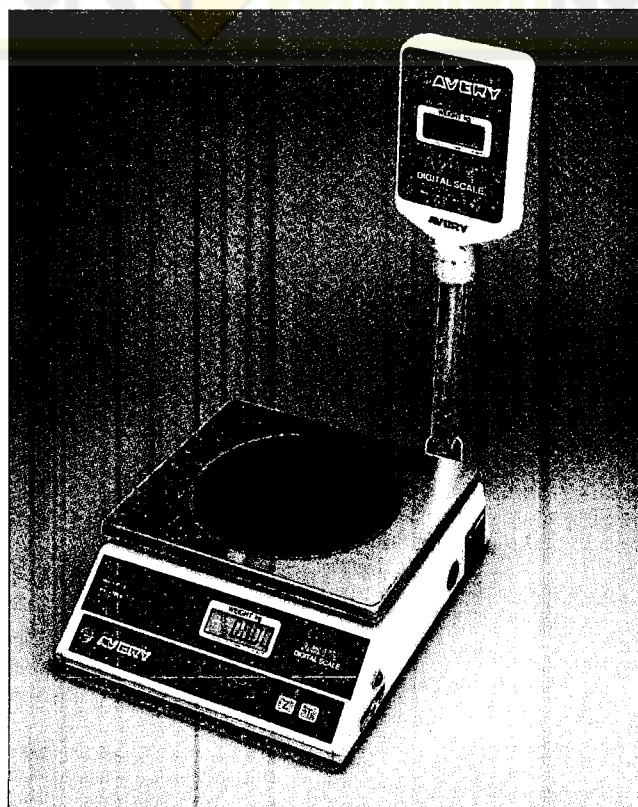
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AVERY



***Euroline
Multiproduct Pumps
recently installed at
a Retail Outlet in
Delhi***



***New Generation Retail
Scale-A 611 W***

AVERY INDIA LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE FIFTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF AVERY INDIA LIMITED WILL BE HELD AT KALA MANDIR, 48, SHAKESPEARE SARANI, CALCUTTA ON FRIDAY, 8TH AUGUST, 1997 AT 11.00 A.M.

To transact the following business:

1. To receive and adopt the Profit and Loss Account for the year ended 31st March, 1997 and the Balance Sheet as at that date together with the Report of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. A K Khosla who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. A S Mitra who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this connection, to consider, and if thought fit to pass with or without modification, the following Resolution which will be proposed as a Special Resolution:
 "That Messrs. Price Waterhouse be and they are hereby appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be fixed by the Board of Directors in consultation with the Auditors, plus an amount to be mutually decided between them and the Board of Directors to cover out of pocket expenses and that the said remuneration be paid to them in four equal quarterly instalments".

Special Business:

To consider and if thought fit to pass with or without modification the following Resolutions:

6. As an Ordinary Resolution:
 "That Mr. I R H Slaughter be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."
7. As an Ordinary Resolution:
 "That Mr. P N S Sukumaran be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."
8. As an Ordinary Resolution:
 "That Mr. R S Bedi be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."
9. As an Ordinary Resolution:
 "That Mr. M. Hassall be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation"
10. As an Ordinary Resolution:
 "That the Company hereby approves the appointment of Mr. P N S Sukumaran, Wholetime Director of the Company from 28.11.96 to 31.12.98 at the remuneration and terms of appointment as set out in an agreement to be entered into between the Company of the one part and Mr. Sukumaran of the other part, a draft of which initialled by the Chairman for the purpose of identification is placed before this Meeting".
11. As an Ordinary Resolution:
 "That the Company hereby approves the increase in remuneration of Mr. N Nath, Managing Director with effect from 1st April, 1997 as set out in a Supplemental Agreement to be entered into between the Company of the one part and Mr. Nath of the other part, a draft of which initialled by the Chairman for the purpose of identification is placed before this Meeting".
12. As an Ordinary Resolution:
 "That the Company hereby approves the increase in remuneration of Mr. P N S Sukumaran, Wholetime Director with effect from 1st April, 1997 as set out in a Supplemental Agreement to be entered into between the Company of the one part and Mr. Sukumaran of the other part, a draft of which initialled by the Chairman for the purpose of identification is placed before this meeting".

The Company's Register of Members and Share Transfer Books will be closed from 23rd July, 97 to 8th August, 97 both days inclusive.

Registered Office
 AVERY HOUSE
 28/2, Waterloo Street
 Calcutta-700 069

7th July, 1997.

By Order of the Board

A Mathur
 Secretary

AVERY INDIA LIMITED

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 a proxy need not be a member of the Company.
2. Explanatory Statements in respect of the items of Special Business is annexed herewith.
3. The Dividend, if declared at the Annual General Meeting will be payable on or after 10th September, 97 to those members whose names appear on the Register of Members of the Company on the 8th August, 1997 or to their mandatees.
4. Pursuant to Section 205 A of the Companies Act, 1956, all unclaimed dividends for the financial year ended 31st March, 1993, declared at the Annual General Meeting of the Company held on 15th September, 1993 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants for the said period are requested to claim the amounts from the Registrar of Companies, West Bengal at the address given below:

NIZAM PALACE
II, MSO BUILDING
234/4, ACHARYA JAGADISH CHANDRA BOSE ROAD,
CALCUTTA-700 020

All unclaimed dividends for the financial year ended 31st March, 1994 declared at the Annual General Meeting held on 10th August, 1994 will be transferred to the General Revenue Account of the Central Government by 11th September, 1997. Shareholders are requested to send the unencashed dividend warrants, if any, for revalidation immediately.

5. Members having more than one account with identical order of names may wish the Company to amalgamate their holdings into one account. They are requested to write to the Company's Registrars, Messrs. Choksey Bhargava & Associates Ltd., P-22, Bondel Road, Calcutta-700 019 for necessary action in this regard.

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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, TO THE ITEMS OF SPECIAL BUSINESS SPECIFIED IN THE ANNEXED NOTICE.

Item 6,7,8 and 9:

Mr. IRH Slaughter, Mr. PNS Sukumaran, Mr. RS Bedi and Mr. M Hassall were appointed as Additional Directors at the Board Meetings held on 2nd October, 1996, 28th November, 1996, 20th February, 1997 and 27th May, 1997 respectively and hold office till this Annual General Meeting.

The Company has received notices in writing alongwith the requisite deposit from members signifying the intention to propose the appointment of Mr. IRH Slaughter, Mr. PNS Sukumaran, Mr. RS Bedi and Mr. M Hassall as Directors of the Company. The aforesaid Directors have indicated their willingness to act as Directors of the Company if so appointed and have filed with the Company their consent pursuant to Section 264 (1) of the Companies Act, 1956.

The Board recommends the adoption of the said resolutions.

Mr. IRH Slaughter, Mr. PNS Sukumaran, Mr. RS Bedi and Mr. M Hassall are interested in the respective resolutions of their appointment, no other Director has any interest or concern therein.

Item 10

The Board of Directors of the Company at its meeting held on 28th November, 1996 has appointed Mr. Peruvemb Naduvath Sundara Sukumaran as a Wholtime Director of the Company (designated as Commercial Director) from 28.11.96 to 31.12.98, subject to the approval of the members of the Company in general meeting.

The terms and conditions of Mr. Sukumaran's appointment as Wholtime Director are embodied in an Agreement to be entered into by the Company with Mr. Sukumarn. In terms of the Agreement Mr. Sukumaran is entitled to the following by way of remuneration:

Salary: at the rate of Rs. 35,000/- per month from 28.11.96 to 27.11.97 and Rs. 40,000/- from 28.11.97 to 31.12.98

AVERY INDIA LIMITED

Commission: at the rate of 1% of the net profits of the Company for each financial year or part thereof subject to a ceiling of 50% of the salary or such amount as may be determined by the Board of Directors.

Perquisites:

(i) Housing:

The expenditure by the Company on hiring unfurnished accommodation for him will be subject to the following ceilings:-

- (a) Bombay, Calcutta, Delhi and Madras:
60% of the salary
- (b) Other Places:
50% of the salary

If the Company does not provide him accommodation, he will be paid house rent allowance at the rate of 60% of his salary if he resides in Bombay/Calcutta/Delhi/Madras or at the rate of 50% of his salary if he resides in any other place.

The company shall bear actual expenditure incurred by him on gas, electricity, water and furnishings.

(ii) Medical Reimbursement:

Expenses incurred for self and family subject to a ceiling of one month's salary in a year.

(iii) Leave Travel Concession:

For self and family, once in a year in accordance with any rules specified by the Company.

(iv) Club Fees:

Fees for clubs subject to a maximum of two clubs.

(v) Premium for Personal Accident Insurance upto Rs. 4,000/- per annum.

(vi) The Company's contributions for him to Provident Fund and Superannuation Fund in accordance with the Rules and Regulations of the Company.

(vii) Gratuity at a rate not exceeding half a month's salary for each completed year of service.

(viii) The employee shall be entitled to leave encashment at the end of the tenure in accordance with the Company's rules.

(ix) Car for use on the Company's business and personal use.

In the event of loss or inadequacy of profits of the Company in any year during the term of his appointment his salary for that year will not exceed the limits applicable from time to time notified by the Government of India.

The Employee shall be entitled to leave in accordance with the Company's rules

The Commission payable hereinabove shall be paid by the Company immediately after the accounts of the Company for the respective financial year shall have been audited and passed by the Board and the certificate of the Company's Auditors as to the amount thereto shall be conclusive.

The Board recommends the adoption of the said resolution.

No Director of the Company except Mr. Sukumaran is interested or concerned in the resolution.

Item 11

The Shareholders at the Annual General Meeting of the Company held on 10th August, 1994, approved the terms of reappointment of Mr. N Nath as Managing Director including inter alia the payment of remuneration to Mr. Nath. The terms and conditions of Mr. Nath's appointment are recorded in the agreement dated 19th August, 1994 (the Principal Agreement).

At the meeting held on 1st June, 1995, the Board of Directors of the Company ('the Board') resolved that the salary payable to Mr. Nath be increased to Rs. 50,000/- per month with effect from 1st April, 1995 and all other terms and conditions remain unchanged. The variation to the terms and conditions of Mr. Nath's appointment are recorded in the Supplemental Agreement dated 2nd June, 1995.

At the meeting held on 27th May, 1997, the Board has approved subject to the approval of the members of the company in general meeting, an increase of Rs. 10,000/- per month in the salary payable to Mr. Nath with effect from 1st April, 1997 in the manner and to the extent set out in the Supplemental Agreement to be entered into by the Company with Mr. N Nath. In terms of Supplemental Agreement Mr. Nath is entitled to a salary of Rs. 60,000/- per month with effect from 1st April, 1997.

AVERY INDIA LIMITED

The Board recommends the adoption of the said resolution.

Mr. N Nath is interested in the resolution; no other Director has any interest or concern therein.

Item 12

The Board of Directors of the Company (the Board') at the meeting held on 28th November, 1996 appointed Mr. Peruvemb Naduvath Sundara Sukumaran, as Wholetime Director of the Company (designated as Commercial Director) from 28.11.96 to 31.12.98, subject to the approval of the members of the Company in general meeting.

The terms and conditions of Mr. Sukumaran's appointment as Wholetime Director are embodied in an Agreement (the Principal Agreement) to be entered into by the Company with Mr. Sukumaran.

At the meeting held on 27th May, 1997, the Board has approved an increase in the remuneration of Mr. Sukumaran with effect from 1st April, 1997 in the manner and to the extent set out in the Supplemental Agreement to be entered into by the Company with Mr. Sukumaran. In terms of the Supplemental Agreement Mr. Sukumaran is entitled to a salary of Rs. 42,000/- per month with effect from 01.04.97 to 31.12.98.

The Board recommends the adoption of the said resolution.

Mr. Sukumaran is interested in the resolution, no other Director has any interest or concern therein.

Registered Office
AVERY HOUSE
28/2, Waterloo Street
Calcutta-700 069

7th July, 1997.

By Order of the Board

A Mathur
Secretary

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AVERY INDIA LIMITED

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AVERY INDIA LIMITED

BOARD OF DIRECTORS

MR. S.K. PODDAR
Chairman

MR. N. NATH
Managing Director

MR. M. HASSALL

MR. I.R.H. SLAUGHTER

MR. W.B. KORB

MR. M.M. SABHARWAL

MR. J. SENGUPTA

MR. A.S. MITRA

MR. R.S. BEDI

MR. A.K. KHOSLA

MR. P.N.S. SUKUMARAN
Commercial Director

SECRETARY
MR. A. MATHUR

SOLICITORS
SANDERSONS & MORGANS
ORR DIGNAM & CO.

AUDITORS
PRICE WATERHOUSE.

REGISTRARS
CHOKSEY BHARGAVA
& ASSOCIATES LIMITED

REGISTERED OFFICE
'AVERY HOUSE' 28/2 Waterloo Street,
Calcutta 700 069.

WORKS
51, Hide Road Extension, Calcutta-700 088.

Plot Nos. 50 - 59, Sector -25,
Ballabgarh - 121004 (Haryana)

CHAIRMAN'S LETTER

Dear Shareholders,

I am pleased to report that despite difficult economic conditions and an overall slow down of industrial growth in our country, the performance of our Company in 1996-97 has by and large been satisfactory. The Company has not only registered an increase in turnover but Profit after tax is also significantly higher. As the shareholders are aware, the Company lost a few mandays on account of the new wage agreement. Profits were affected due to higher payments on account of wage agreement.

It is heartening to report that our company has been awarded the prestigious ISO 9001 Certificate in recognition of quality systems and procedures followed.

Our company continues to enjoy a good demand for the Electronic, as well as Mechanical Weighing Machines manufactured by us. The Company is steadily increasing its market share in Fuel Dispensing Pumps business with more repeat orders coming from all the Oil Companies. The Fuel Dispensing Pumps business has considerable potential and the company is making endeavours to tap the same by introducing new models. The Company has also supplied imported Multi Product Dispensing Pumps.

The Retail Scale Division has commenced its operation and has introduced new models of Electronic Weighing Machines. This line of business is expected to give fillip to turnover and profits of the Company in coming years.

The Company has been able to further increase its presence in Process Weighing business and the first weigh feeder has been supplied during the year.

Our Company has been able to improve its performance year after year by effective utilization of manpower and resources supported by sound technological background, well-knit management team and strong brand equity of AVERY name.



The growth oriented Central Budget announced by the Honourable Finance Minister, followed by significant improvement made by Import Export Policy, is expected to revive industrial growth and ease pressure on the availability of funds to the industry. In the circumstances, our company looks forward to improved performance in the coming year.

I would like to take this opportunity to thank all our employees for their commitment to the progress of the company. I would also like to thank you, our shareholders for your continuing support and confidence.

S.K. PODDAR
Chairman

AVERY INDIA LIMITED

REPORT OF THE DIRECTORS

The Directors of Avery India Limited present their Report together with the Audited Accounts of the Company for the year ended 31st March, 1997.

FINANCIAL RESULTS

	(Rs. in Lakhs)	
	For the year ended 31st March 1997	31st March 1996
Profit for the year is	818.08	922.78
Less: Extra Ordinary Items	—	(198.65)
Profit before Tax is	818.08	724.13
Provision for Taxation absorbs	(390.00)	(400.00)
Leaving a balance of Profit of	428.08	324.13
Balance brought forward from previous year	99.99	99.99
Transfer from/(to) Bad Debt Reserve	(3.93)	(1.38)
	524.14	422.74
Which is proposed to be appropriated as follows:		
General Reserve	220.87	137.95
Proposed Dividend @ Rs. 2.20 per Equity Share (Subject to deduction of Income Tax at source for 1995-96)	184.80	184.80
Income Tax on Dividend	18.48	—
Balance carried forward	99.99	99.99
	524.14	422.74

DIVIDEND

The Directors are pleased to recommend a dividend of Rs. 2.20 per Equity Share for the year ended 31st March, 1997.

OPERATIONS

The year under review has been yet another year of constant growth despite pressure on profit. The performance for the year would have been even better with higher Sales & Profit but for the all India Strike which resulted in loss of Sales as well as for higher payment on account of wage agreement. The Company's Sales were also affected due to general slow-

down in the Industrial Sector and liquidity crunch. While the present economic situation continues to be difficult it is expected that with the growth-oriented Budget, the economic situation in the country will improve. Under these circumstances, your Company expects to do better during the current year, in both indigenous and exports markets.

Your Directors are pleased to inform you that your Company has set up a separate Retail Scale Division and has introduced new models of electronic weighing machines for the Retail Market during the year.

The number of Fuel Dispensing Units (Petrol Pumps) sold increased by 26% over the previous year. Orders for nearly 2,100 units were received from all the oil Companies.

Your Company also supplied several imported Multi Product Pumps and Dispensers, Oil Mix Pumps and Vapour Recovery Systems during the year and many of these have been installed at Ultra Modern Pumping Stations being opened by Oil Companies. These products have been well received by the market and have very promising business prospects in the future.

The Belt Scales which your Company is manufacturing in collaboration with M/s. Merrick Industries Inc., USA have been also received well in the market. Your Company also supplied the first Weigh Feeder during the year under report.

In a major achievement, your Company has been awarded the prestigious **ISO 9001 Certificate**.

ASSOCIATE COMPANY

During the year under review M/s. Schenck Avery Limited have decided to issue Equity Shares at premium to finance purchase of land and construction of building thereon for their diversification and expansion. Your Company will not subscribe to issue of Equity Shares. However, M/s. Carl Schenck AG have indicated their willingness to subscribe 13,43,461 Equity Shares which will increase their holding in Schenck Avery Limited from 60% to 74%. The Share holding of Avery India Limited will constitute 26% in the post issue capital of Schenck Avery Limited. The performance of Schenck Avery Limited during the year was satisfactory.

DIRECTORS

Mr. A K Khosla and Mr. A S Mitra retire from the Board of Directors by rotation in accordance with the provisions of the Articles of Association of the Company and being eligible, offer themselves for reappointment.