

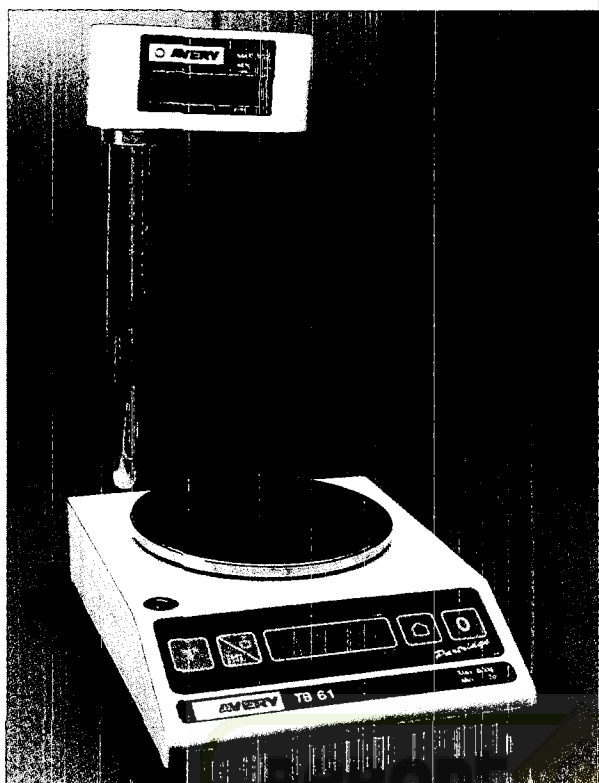
ANNUAL REPORT 1992-93



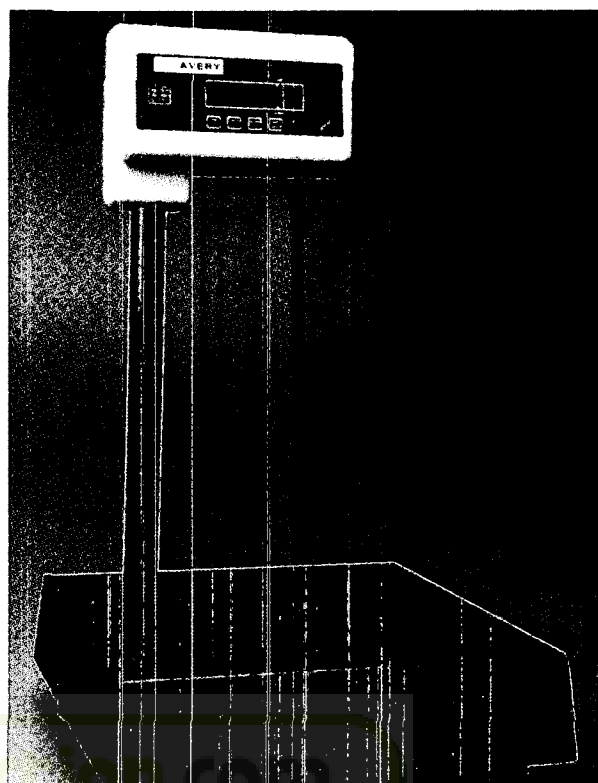
AVERY INDIA LIMITED

AVERY

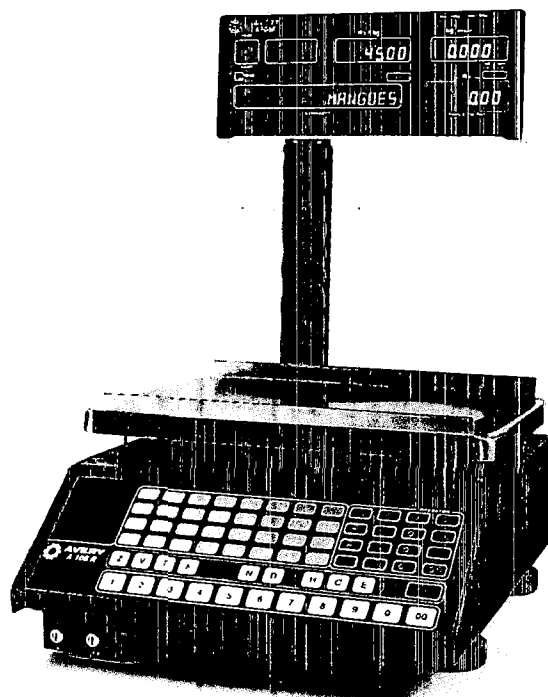
Electronic Retail Scales



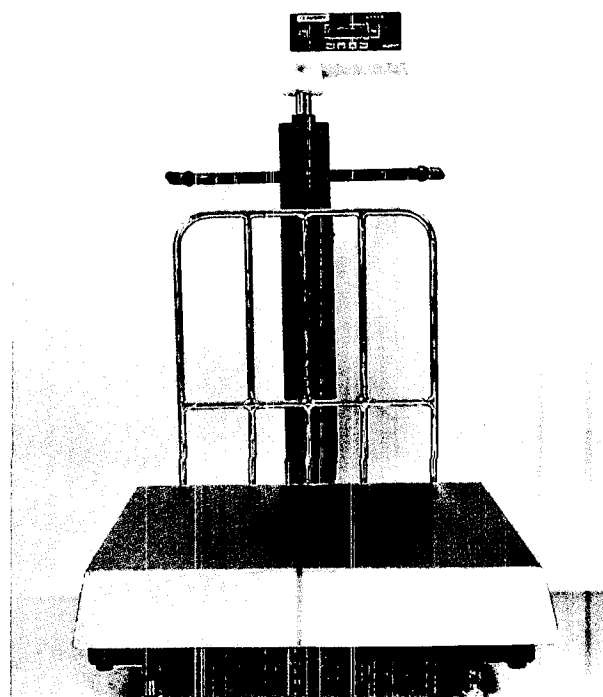
TB61 with Headup Display Capacity 600 gm



Bench Scale H311A/L111A Capacity 30 kg



*A106R Price Computing Scale used with Printer
Capacities 6 & 15 kgs*



*Platform scale H311A/L111A Capacities 60,
120 & 300 kgs*

AVERY INDIA LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE FIFTY FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF AVERY INDIA LIMITED WILL BE HELD AT KALA MANDIR, 48, SHAKESPEARE SARANI, CALCUTTA ON FRIDAY, 24TH JULY, 1998 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, 1998 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. J Sengupta who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. M M Sabharwal who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. S K Poddar who retires by rotation and being eligible offers himself for re-appointment.
6. 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 installments".

Special Business:

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

7. As an Ordinary Resolution :

"That Mr. R D Goddard, who was appointed an additional Director by the Board and who holds office up to the conclusion of this meeting and in respect of whom a notice from a Shareholder under Section 257 alongwith requisite deposit is received; be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by rotation."

8. As an Ordinary Resolution :

"That Mr. S Hare, who was appointed an additional Director by the Board and who holds office up to the conclusion of this meeting and in respect of whom a notice from a Share-

holder under Section 257 alongwith requisite deposit is received; be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by rotation."

9. As an Ordinary Resolution :

"That Mr. T J Cooper, who was appointed an additional Director by the Board and who holds office up to the conclusion of this meeting and in respect of whom a notice from a Shareholder under Section 257 alongwith requisite deposit is received; be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by rotation."

10. As an Ordinary Resolution :

"That Mr. U P Majumder, who was appointed an additional Director by the Board and who holds office up to the conclusion of this meeting and in respect of whom a notice from a Shareholder under Section 257 alongwith requisite deposit is received; be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by rotation."

11. As an Ordinary Resolution :

"RESOLVED that the authorised share capital of the Company be and is hereby increased from Rs.10.00.00.000/- to Rs.12.00.00.000/- divided into 1,20,00,000 equity shares of Rs. 10/- each".

12. As a Special Resolution :

"RESOLVED that the provisions of the existing Clause 5 of the Memorandum of Association of the Company be amended by deleting Clause 5 and by substituting therefor the following new Clause 5 namely

"The capital of the Company is Rs. 12,00,00,000/- divided into 1,20,00,000 Equity Shares of Rs. 10/- each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."

13. As a Special Resolution :

"RESOLVED that the provisions of the existing Article 4 of

EVERY INDIA LIMITED

the Articles of Association of the Company be amended by deleting Article 4 and by substituting therefor the following new Article 4 namely

" The Authorised Share Capital of the Company is Rs. 12,00,00,000/- divided into 1,20,00,000 Equity Shares of Rs.10/- each."

14. As a Special Resolution :

" RESOLVED THAT pursuant to the provisions of Section 81 (1A) and other applicable provision, if any of the Companies Act, 1956; SEBI guidelines issued from time to time and in accordance with the provisions of the Articles of Association of the Company and subject to the necessary approvals, permissions and/or sanctions of Reserve Bank of India and any other appropriate authorities and to the extent necessary and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals permissions and/or sanctions and agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any committee consisting of one or more members of the Board and /or one or more officers of the Company appointed by the Board in this behalf, which the Board may constitute to exercise powers of the Board including the powers conferred by this resolution), the consent of the Company be and is hereby accorded to the Board to issue, offer and allot on preferential basis to GEC Avery International Limited, U.K. 19.02.857 Equity Shares of Rs. 10/- each of the Company for cash at a premium of Rs. 36.82 per share payable in full on acceptance, on the condition that the said Equity Shares shall rank pari passu in all respects with the existing Equity Shares of the Company and further subject to such terms and conditions as may be decided by the Board and which are in accordance with the aforesaid guidelines.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution 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."

The Company's Register of Members and Share Transfer Books will be closed from 15th July to 24th July, 1998 both days inclusive.

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

29th June, 1998.

By Order of the Board

A Mathur
Secretary

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 to those members whose names appear on the Register of Members of the Company on the 24th July, 1998 or to their mandatees.
4. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends for the financial year ended 31st March, 1994 declared at the Annual General Meeting of the Company held on 10th August 1994 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
HMSO BUILDING
234/4, ACHARYA JAGADISH CHANDRA BOSE ROAD
CALCUTTA- 700 020

All unclaimed Dividends for the financial year ended 31st March, 1995 declared at the Annual General Meeting held on 8th August, 1995 will be transferred to the General Revenue Account of the Central Government by 10th September, 1998. 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. C. B. Management Services Limited, P-22, Bondel Road, Calcutta 700 019 for necessary action in this regard.

AVERY INDIA LIMITED

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 No. 7, 8, 9 and 10 :**

Mr. R D Goddard and Mr. T J Cooper were appointed as Additional Directors of the Company at the Board Meeting held on 25th February, 1998 and hold office till the conclusion of this Annual General Meeting.

Mr. S. Hare and Mr. U P Majumder were appointed as Additional Directors of the Company at the Board Meeting held on 26th November, 1997 and hold office till the conclusion of this Annual General Meeting.

The Company has received notices in writing alongwith the requisite deposits from members signifying their intention to propose the appointment of Mr. R D Goddard, Mr. S Hare, Mr. T J Cooper and Mr. U P Majumder as Directors of the Company, who 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 resolutions.

Mr. R D Goddard, Mr. S Hare, Mr. T J Cooper and Mr. U P Majumder are interested in the respective resolutions, of their appointment. No other Director has any interest or concern therein.

Item No. 11, 12 and 13 :

The present authorised share capital of the Company is Rs. 10,00,00,000/- out of which Rs. 8,40,00,000/- has already been issued and paid up. With a view to accommodate further issue of shares, it is considered advisable to increase the authorised share capital from Rs. 10,00,00,000/- to Rs. 12,00,00,000/- by creation of 20,00,000 Equity Share of Rs. 10/- each, which will rank pari passu in all respects with the existing equity shares in the Company.

The proposed increase of the authorised capital of the Company requires the approval of the members in general meeting. Consequent upon the increase in authorised capital of the Company, its memorandum and articles of association will require alteration so as to reflect the increase in share capital.

The Board recommends that the resolution be passed.

None of the Directors of the Company is concerned or interested in the resolution.

Item No. 14 :

The members are aware that GEC Avery International Limited, U. K., is a subsidiary Company of The General Electric Company p.l.c. and holds approx. 39.9% of the Equity Capital of Avery India Ltd.

GEC Avery Ltd. U.K., is also a subsidiary Company of The General Electric Company p.l.c. and is a world leader in Weighing Industry. GEC Avery Ltd. U.K. has a technical collaboration with Avery India Ltd.

The new Industrial Policy of the Government of India aims at liberalisation and recognizes the need of development of our country, which could be achieved through inflow of foreign investment and technology.

Your Company considers it appropriate that GEC Avery International Ltd., U. K. should increase their stake to 51% in accordance with the Government guidelines.

Such increase will make your Company a subsidiary Company of GEC Avery International Ltd., U. K. and in turn a subsidiary Company of The General Electric Company p.l.c.

This will make flow of technology from GEC Avery Ltd., U. K. much easier. Your Company will also have greater access to export market with a much wider range of products. Your Company will also have access to certain proprietary technologies of GEC Avery Ltd. as a subsidiary Company which will make transfer of such technology much faster and easier.

Considering the present scenario and in order to augment the growth of your Company, your Board of Directors consider it most appropriate that additional equity share should be offered to GEC Avery International Ltd. U.K. with a view to enable them to increase their stake to 51% at a price of Rs. 46.82 per share as set out in the Resolution.

AVERY INDIA LIMITED

The Equity shares issued to GEC Avery International Ltd., U.K. as above will not be transferable without prior approval of Reserve Bank of India and will be locked in for a period of five years from the date of allotment as per the guidelines issued by SEBI.

The premium of Rs. 36.82 per share has been arrived at on the basis of the formula stipulated by the guidelines issued by SEBI. The proceeds of this issue will be utilized for financing capital expenditure and working capital for the projects under the new technology / upgradation of technology from the collaborators.

The approval of the Members by a Special Resolution for the aforesaid issue of Equity Shares is necessary having regard to provisions of Section 81 (1A) of the Companies Act, 1956 read with listing Agreement and the Government guidelines for increasing the foreign equity holding to 51%.

The Board of Directors recommend the Resolution for adoption by the members.

M/s. W B Korb, R D Goddard, S Hare and T J Cooper are Senior Executives in the Associate Companies of GEC Avery International Limited and accordingly may be deemed to be interested or concerned in the resolution.

DISCLOSURE REQUIRED TO BE MADE IN ACCORDANCE WITH REGULATION 3(1)(c)(ii) OF THE SECURITIES & EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVER) REGULATIONS, 1997

PARTICULARS

DISCLOSURE

i) Name and address of proposed allottees	GEC Avery International Ltd. Smethwick, Warley, West Midlands, England B66 2LP
ii) Price at which allotment is proposed	Rs. 46.82 per share (Determined in accordance with SEBI guidelines)
iii) Purpose and reason of the allotment	To finance capital expenditure and working capital for the projects under the new technology / upgradation of technology from the collaborators.
iv) Consequential changes in voting rights & shareholding pattern.	Information as on 15.6.98 is given below :

CLASS OF SHAREHOLDERS	NO. OF EQUITY SHARES OF RS. 10/- EACH.		% OF VOTING RIGHTS	
	BEFORE ISSUE OF SHARES ON PREFERENTIAL ALLOTMENT BASIS	AFTER ISSUE OF SHARES ON PREFERENTIAL ALLOTMENT BASIS	BEFORE ISSUE OF SHARES ON PREFERENTIAL ALLOTMENT BASIS	AFTER ISSUE OF SHARES ON PREFERENTIAL ALLOTMENT BASIS
GEC AVERY INTERNATIONAL LIMITED	33.51.600	52.54.457	39.90	51.00
FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, MUTUAL FUNDS AND BANKS	24.97.488	24.97.488	29.73	24.24
OTHERS	25.50.912	25.50.912	30.37	24.76
TOTAL	84.00.000	1.03.02.857	100.00	100.00

v) Change in Board of Directors and in control over the Company	There will not be any change in the Board of Directors. The Company will become a subsidiary of GEC Avery International Limited.
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Registered Office
AVERY HOUSE
 28/2, Waterloo Street
 Calcutta- 700 069

29th June, 1998

By Order of the Board

A Mathur
 Secretary

AVERY INDIA LIMITED

CONTENTS

	MD		BKC		Page
	CS		DPY		
Board of Directors	RO		DIV		2
	TRA		AC		
Chairman's Letter	ACM		SHI		3
	YE				
Report of the Directors					4
Annexure to the Board of Directors' Report to the Shareholders					6
Auditors' Report					8
Balance Sheet					10
Profit & Loss Account					11
Schedules to the Account					12
Statement of Accounting Policies					22
Balance Sheet Abstract and Company's General Business Profile					23
Cash Flow Statement					24
Financial Statistics and Distribution of Shareholding					25

AVERY INDIA LIMITED

BOARD OF DIRECTORS

MR. S.K. PODDAR
Chairman

MR. N. NATH
Managing Director

MR. R.D. GODDARD

MR. S. HARE

MR. T.J. COOPER

MR. W.B. KORB

MR. M.M. SABHARWAL

MR. J. SENGUPTA

MR. A.S. MITRA

MR. U.P. MAJUMDER

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
CB MANAGEMENT SERVICES LTD.
P-22, Bondel Road, Calcutta 700 019
Phone: 2806692-93-94
Fax: 247 0263

REGISTERED OFFICE
'AVERY HOUSE' 28/2 Waterloo Street,
Calcutta 700 069.
Phone: 2488121-3 Fax 2485675

WORKS
51, Hide Road Extension, Calcutta-700 088.
Phone: 4494608 Fax 4498617

Plot Nos. 50 - 59, Sector -25,
Ballabgarh - 121004 (Haryana)
Phone: 234625-632
Fax: 232557

CHAIRMAN'S LETTER

Dear Shareholders,

The performance of our company in 1997-98 was adversely affected by the slow down in the Indian economy. The overall industrial growth in the country fell to only 4.2%. The Capital Goods Industry which grew at the rate of 17.7% in 1995-96 and 8.5% in 1996-97 registered a negative growth of 4% in the current year. Despite being in the capital goods sector, our company managed a positive growth of 2.5%. Sluggish industrial growth forced many of the customers to postpone their projects as well as their decision for releasing orders for weighing machines. They considerably delayed even in taking the delivery of the ordered machines.

After a prolonged period of unstable political situation, the new Government has assumed charge with new vigour and determination. It is hoped that the Government will address economic problems with determination to help bring out the inner strengths of the Indian Economy as indicated in their Agenda. The recent budget reflects the Government's concern of the Indian Economy and the need to increase investments in order to accelerate the growth process.

I am, however, optimistic of the future of our company. I am pleased to advise that our company has reached an understanding with Avery Berkel Group, UK for upgradation of technology for weighing machines and load cells manufactured by us. This will immediately expand our product base and improve our competitive strength in the weighing industry. Accordingly I expect improved

performance over a sustained period of time starting from the next year.

The change in the composition of our Board also reflects Avery Berkel's keen interest in Avery India. Mr. Mike Hassall and Ian Slaughter, Managing Director and Commercial Director of Avery Berkel, UK resigned from their respective positions and consequently resigned from the Board of your company. Mr. R.D. Goddard took over as Managing Director of Avery Berkel Group and joined the Board of your company. He is the first Managing Director who has visited India twice in four months. In addition, Mr. Stephen Hare, Finance Director, GEC Industrial Group and

Mr. T.J. Cooper, International Business Director of Avery Berkel joined the Board of the company. I regard these changes as very significant because it will improve flow of technology and can ultimately lead to greater exports from India, thereby creating better shareholder value.

In spite of difficult operating conditions in the country, the efforts of our employees are greatly appreciated and I am confident that with their support and that of our shareholders, we will continue to endeavour to improve our performance.



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 1998.

FINANCIAL RESULTS

(Rs. in Lakhs)

	For the year ended	
	31st March 1998	31st March 1997
Profit for the year is	605.34	818.08
Provision for Taxation absorbs	(230.00)	(390.00)
Leaving a balance of Profit of	375.34	428.08
Balance brought forward from previous year	99.99	99.99
Transfer from/(to) Bad Debt Reserve	0.95	(3.93)
	476.28	524.14
To which is added adjustment in respect of previous years Income Tax	66.82	—
	543.10	524.14
Which is proposed to be appropriated as follows:		
General Reserve	239.83	220.87
Proposed Dividend @ Rs.2.20 per Equity Share	184.80	184.80
Income Tax on Dividend	18.48	18.48
Balance carried forward	99.99	99.99
	543.10	524.14

DIVIDEND

The Directors are pleased to recommend a dividend of Rs.2.20 per Equity Share for the year ended 31st March, 1998.

OPERATIONS

This has been a difficult year for the operations of the Company. General slow-down in the industrial growth and the liquidity crunch has resulted in adverse market situation. This forced some of the customers of the Company to postpone their projects and decisions for releasing orders for Weighing Machines. Some of them also deferred taking delivery of the ordered machines.

Similarly, with the high Inventories, the Oil Companies had deferred placement of orders and also postponed receipt of Petrol Pumps. However, your Company received substantial orders towards the end of the financial year and holds sizeable Unexecuted Orders at the year-end, which will be executed in the current financial year.

Due to the above reasons, the Company's Sales of Finished Goods were affected during the year under review. On account of stiff competition and increase in cost of production, the profitability of the Company has been adversely affected.

It is hoped that the market conditions will improve during 1998-99 and therefore, the Company expects to record improved Sales.

The Service Division of the Company has recorded a satisfactory growth of 7.7% over last year. Considering the cost reduction effected by many customers on routine maintenance, this growth of Service Sales is considered satisfactory.

During the year, the Company has also taken up regular Maintenance Contract of Petrol Pumps. Yours is the first Company in India in the organised sector to be awarded with a Maintenance Contract for Delhi from one of the major Oil Companies. Efforts are on for finalising such Contracts in other cities. The Company is also providing maintenance services for imported Multi Product Dispensers, which are also installed by Oil Companies in major cities in the country.

Your Directors are pleased to inform you that your Company has widened its range of Electronic Retail Weighing Machines and Platform Scales. The Company is steadily improving the market share in the Retail Sector.

The Belt Scales are well established and Weigh Feeders have been well received. The Company continues to improve its position in the Process Weighing Industry.

The Research & Development Unit of your Company has developed a new range of Load Cells and Industrial Weighing Systems. A precision high capacity Universal Testing Machine has been installed for Load Cell development and manufacture. This machine is the only one of its kind in the Weighing Industry in India. The Company has also designed an Oil Mix Pump for two-wheelers and has already received a large order for such Pumps from the Oil Industry.

ASSOCIATE COMPANY

During the year under review M/s. Schenck Avery Limited have issued 1,343,461 Equity Shares at premium to