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ANNUAL REPORT

AVERY

Total Accuracy

Avery's state-of-the-art technology has been tested and proven time and again on an international platform. The Company is one of the leading manufacturers of mechanical and electronic weighing machines in India, with an unparalleled range of diverse and innovative products. All of them have one thing in common — they offer total accuracy to the consumer / user.

This aspect has created a bond of trust between Avery and consumers; they are always assured of the highest level in product quality, besides friendly customer care and a very accessible network of after-sales service centres.

The consumer also gets several other value-additions, like easy operation, clear displays, a wide range of applications, safety, long life through durable machine design, and an excellent *performance : price ratio*.



AVERY INDIA LIMITED

Registered Office : 'Avery House' 28/2, Waterloo Street, Kolkata-700 069

PROXY FORM

I/We..... of
..... being member/s of
AVERY INDIA LIMITED hereby appoint.....
of or failing him
..... of
..... as my/our proxy to vote for
me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, the 27th day of
September, 2002, and at any adjournment thereof.

As witness my/our hand(s) this day of2002

Signed by the said
Account No.
No. of Shares held

| |
|---------------------------------------|
| Affix Re. 1.00 Revenue Stamp |
|---------------------------------------|

Note : The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

AVERY INDIA LIMITED**ATTENDANCE SLIP**

Please complete this attendance slip and hand it over
at the entrance of the Hall

I hereby record my presence at the Fifty Fifth Annual General Meeting of the Company held on Friday 27th, September, 2002.

Full Name of the Shareholder in Block Letters

Account No.....

No. of Shares held

Signature of the Shareholder/Proxy

Note : Only Shareholders of the Company or their proxies will be allowed to attend the meeting.

MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT ALONG WITH THEM TO THE ANNUAL GENERAL MEETING, AS EXTRA COPIES OF THE REPORT FOR DISTRIBUTION AT THE MEETING HAVE NOT BEEN PRINTED DUE TO HIGH COST OF PAPER AND PRINTING.

AVERY INDIA LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE FIFTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF AVERY INDIA LIMITED WILL BE HELD AT : "GYAN MANCH" 11, PRETORIA STREET, KOLKATA - 700 071 ON FRIDAY, 27TH SEPTEMBER, 2002, AT 11.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS :

1. To consider and adopt the Profit and Loss Account for the year ended 31st March, 2002, and the Balance Sheet as at that date together with the Report of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. A.S. Mitra, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. S. Ghosh, who retires by rotation and is eligible for re-appointment.
4. 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:
"That Messrs. Deloitte Haskins & Sells, Chartered Accountants be and 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 :

5. To consider and, if thought fit, to pass the following Resolution, with or without modification, as a Special Resolution:-
"RESOLVED that in partial modification of Resolution passed at the Extraordinary General Meeting of the Company held on 31st January, 2001, in respect of appointment and remuneration of Mr. Jairaj Singh, Managing Director, and subject to requisite approvals, if any, pursuant to the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, the Company hereby approves of the revised terms of remuneration including perquisites and allowances of Mr. Jairaj Singh w.e.f. 1st April, 2002, as set out in the draft Supplemental Agreement submitted to this Meeting and for identification signed by the Chairman of the Company, which Agreement is specifically sanctioned with liberty to the Board to alter and vary the term and conditions of the said remuneration and/or Agreement in such manner as may be agreed to between the Board and Mr. Jairaj Singh."

The Company's Register of Members and Share Transfer Books will be closed from 21st September to 27th September, 2002, both days inclusive.

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

By Order of the Board

30th July, 2002

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. Proxy, in order to be effective, must be received by the Company not less than 48 hours before the scheduled time of the meeting.
2. Explanatory Statement pursuant to section 173 of the Companies Act, 1956, in respect of the item of Special Business is annexed herewith and forms part of the Notice.
3. A statement containing the information pursuant to para 1 (B) of Section-II of Part-II of Schedule-XIII to the said Act, in respect of Item of Special Business, is annexed hereto and forms part of the Notice.
4. The relevant details in respect of item 2 & 3 set out above; pursuant to clause 49 of the listing agreement, are annexed hereto.
5. Members may please note that Messrs. C. B. Management Services Pvt. Limited has been acting as Company's Registrar & Share Transfer Agent. Members are requested to send transfers and other related correspondence, including intimation of change in their registered address along with PIN code number, to the Registrar's Office at the following address:
Messrs. C. B. Management Services Pvt. Limited, P-22, Bondel Road, Kolkata 700 019
6. Shareholders are requested to send unencashed Dividend Warrants, if any, for revalidation immediately to the Company's Registrars, Messrs. C. B. Management Services Pvt. Limited, for necessary action in this regard.
7. 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 Pvt. Limited, for necessary action in this regard.
8. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection by the members at the Registered Office of the Company during working hours between 10.00 am to 12.30 pm. on all working days for a period of twenty one days before the date of the meeting.
9. Members/Proxies should bring the attendance slips duly filled in for attending the meeting.
10. Shareholders, who have not dematerialised their shares as yet, are advised to have their shares dematerialised to avail of the benefits of paperless trading.

ANNEXURE TO THE NOTICE

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

ITEM 5 :

The Department of Company Affairs, New Delhi has by its Notification No. GSR.36 (E) dated 16th January, 2002, amended Schedule XIII to the Companies Act, 1956, by revising and liberalising the limits for payment of managerial remuneration by companies having no profits or inadequate profits. As per the said Notification such companies are now permitted to pay remuneration, on a graded scale based on the effective capital, up to a maximum of Rs. 48 lakhs per annum or Rs. 4 lakhs per month as against the earlier limit of Rs 24 lakhs per annum or Rs. 2 lakhs per month, subject to certain conditions including approval of such remuneration by a Remuneration Committee and the approval of the shareholders by way of a Special Resolution for a period not exceeding three years.

Mr. Jairaj Singh was appointed as Managing Director with effect from 1st January, 2001, on the remuneration, and terms and conditions as approved by the shareholders in the Extra-ordinary General Meeting held on 31st January, 2001, for a period of three years. The proposed resolution under Item No. 5 of the accompanying Notice seeks to increase his remuneration as set out in the draft Supplemental Agreement with effect from 1st April, 2002. The proposed remuneration which has been approved by the Remuneration Committee, and the Board of Directors in their respective meetings held on 21st May, 2002, is within the limits stipulated in para 1 (B) read with para 2, both of Section II of Part II of Schedule XIII to the said Act. Pursuant to the said provisions, a special resolution is being proposed in this Annual General Meeting.

Pursuant to the provisions of Schedule XIII to the Companies Act, 1956, details of remuneration proposed to be paid to Mr. Jairaj Singh and justification thereof, are given in Statement Containing Information Pursuant to para 1 (B) of Section-II of Part-II of Schedule-XIII to the Companies Act, 1956.

Mr. Jairaj Singh is concerned or interested in the resolution; no other Director has any interest or concern therein.

Your Directors recommend approval of the special resolution at Item No. 5 of the accompanying Notice.

The draft Supplemental Agreement between the Company and Mr. Jairaj Singh is available for inspection by the members of the Company at the Registered Office between 10.00 a.m. to 12.30 p.m. prior to the meeting.

This may be treated as an abstract of the agreement and memorandum of interest pursuant to section 302 of the companies Act, 1956.

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AVERY HOUSE
28/2, Waterloo Street
Kolkata- 700 069

By Order of the Board

A. Mathur
Secretary

30th July, 2002

STATEMENT CONTAINING INFORMATION PURSUANT TO PARA 1 (B) OF SECTION-II OF PART-II OF SCHEDULE-XIII TO THE COMPANIES ACT, 1956, IN RESPECT OF ITEM NO. 5 OF THE ACCOMPANYING NOTICE.

I. General Information :

1) Nature of industry

The Company is in the business of manufacturing, distributing and servicing of Weighing Machines and Fuel Dispensing Pumps.

2) Date of commencement of commercial production

The Company was incorporated on 26th February, 1947, and commenced production in 1951, in a phased manner.

3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not applicable.

4) Financial performance

(Rupees in Lakhs)

| Particulars | Year Ended 31.3.2002 | Year Ended 31.3.2001 |
|--|-------------------------|-------------------------|
| 1. Net Sales/Income from operations | 6,658 | 8,184 |
| 2. Other Income | 169 | 148 |
| 3. Total Expenditure | 6,478 | 9,283 |
| 4. Interest Payable/(Receivable) | (22) | (41) |
| 5. Depreciation | 131 | 149 |
| 6. Profit/(Loss) (1+2-3-4-5) | 240 | (1,059) |
| 7. Extra Ordinary item - Voluntary Retirement Scheme | (1,090) | - |
| 8. Prior Period Adjustments - Net (Charge) / Credit | 8 | (66) |
| 9. Profit /(Loss) before Tax | (842) | (1,125) |
| 10. Provision for Taxation | 219 | - |
| 11. Profit/(Loss) after Tax | (623) | (1,125) |

5) Exports performance and net foreign exchange collections

| Earnings in Foreign Exchange: | 2001/2002 Rs. | 2000/2001 Rs. |
|--|--------------------------|--------------------------|
| Export Sales at F.O.B. | 14,591,707 | 20,518,539 |
| Other - Freight and Insurance on exports | 199,371 | 670,372 |
| The above does not include: Indirect Exports | 5,540,275 | 12,279,450 |
| Commission Received | 4,270,096 | 4,105,768 |

6) Foreign investments or collaborations, if any

During the financial year 2001-02, the Company did not have any fresh foreign investments or collaboration.

II. Information about the appointee :**1) Background**

Mr. Jairaj Singh started his commercial career in the Sales Stream with Indian Aluminium Company Limited, a Subsidiary of Alcan Aluminium Ltd; a Canadian Multinational and the largest Aluminium Manufacturing Company in the world. His career path took him through various positions in the Sales & Marketing functions.

In Indian Aluminium Company Limited, Mr. Singh held the position of the Chief Executive of the Company's Extrusion Business from 1995 to 1998 and the position of Vice President of the Sheet Business from January 1999 to December 2000.

Indian Aluminium Company Limited's Sheet Business had approximately 2000 employees, Annual Turnover of Rs. 6000 million and the Capital Employed was Rs. 3500 million in 1999-2000. It was the largest Business of the Company. He carried out a VRS implementation and a reorganisation exercise to bring the business back to health.

He was a Member of Company's Management Committee and also held Directorship in the following Joint Venture Companies of Indian Aluminium Company Limited:

- Orissa Extrusions Limited
- Indal Hydro Extrusions Limited

Mr. Singh did ISC from The Doon School, Dehradun, and BA (Honours) Economics in 1969 from St. Stephens College, Delhi University.

Presently Mr. Jairaj Singh is Managing Director of Avery India Limited since January 2001. He is also a Director of Schenck Avery Limited.

2) Past remuneration

Details of past remuneration of Mr. Jairaj Singh are given below:

| Year | Salary (in Rs.) | Perquisites, Allowances, Benefits (in Rs.) | Contribution to provident, pension and gratuity funds (in Rs.) | Total (in Rs.) |
|--------------|----------------------------|---|---|---------------------------|
| 2000 - 2001* | 237,500/- | 170,727/- | 117,000/- | 525,227/- |
| 2001 - 2002 | 950,000/- | 837,308/- | 236,660/- | 2,023,968/- |

*For part of the year.

3) Job profile and his suitability

Being the Managing Director, he is overall in-charge of the affairs of the Company subject to superintendence, control and direction of the Board of Directors of the Company.

Since his appointment as Managing Director, he has successfully overseen implementation of Voluntary Retirement Scheme and rightsizing of the workforce. Besides manpower reduction he has successfully overseen implementation of Cost control measures, products design improvement and expansion of product range. The Company has secured an operating profit of Rs.240 lakhs in the financial year 2001-02 as against loss of Rs.1059 lakhs in the previous year 2000-01. In opinion of the Board of Directors and Remuneration Committee, the increase in Remuneration and other pecuniary benefits are commensurate with the increased job requirements and responsibilities.

4) Proposed remuneration

It is proposed to increase remuneration payable to Mr. Jairaj Singh with effect from 1st April, 2002. His salary is proposed to be increased from Rs. 950,000/- per year to Rs. 1,000,000/- per year with effect from 1st April, 2002. Further, it is proposed that Bonus at such percentage of the annual salary as may be decided by the Board be paid to him for each financial year of the Company and provision of a Driver by the Company or an allowance of Rs. 78,000/- per year in lieu thereof be paid to him with effect from 1st April, 2002.

A Supplemental Agreement is proposed to be executed between the Company and Mr. Jairaj Singh to amend previous agreement to give effect to increased remuneration payable to him. The Supplemental Agreement, inter alia, contains following terms of remuneration payable to Mr. Jairaj Singh, effective 1st April, 2002:

- (a) Salary: at the rate of Rs.1,000,000/- per annum with effect from 1st April, 2002, which may be reviewed and increased by the Board from time to time subject to the ceiling provided under Schedule XIII to the Companies Act, 1956.
- (b) Commission: at such rate of the net profits of the Company to be decided by the Board from time to time for each financial year of the Company or part thereof computed in the manner laid down in Section 309(5) of the Companies Act 1956.
- (c) Bonus: at such percentage of the annual salary as may be decided by the Board from time to time for each financial year of the Company or part thereof subject to the ceiling provided under Schedule XIII to the Companies Act, 1956.
- (d) Perquisites: In addition of above, he shall be entitled to the following by way of perquisites in such form and manner as the Board of Directors may decide from time to time subject to the ceiling provided under Schedule XIII to the Companies Act, 1956.
 - (i) Housing: He will be provided with a fully furnished two-bedroom house in the Delhi Area. The Company will cover the costs of Gas, Electricity, Telephone and rates plus the Employment of a Housekeeper.
 - (ii) Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
 - (iii) Club Fees: Fees of clubs subject to a maximum of two clubs.
 - (iv) Premium for Personal Accident Insurance.
 - (v) The Company's contributions for him to Provident Fund and Superannuation Fund in accordance with the Rules and Regulations of the Company.

AVERY INDIA LIMITED

- (vi) Gratuity at a rate not exceeding half a month's salary for each completed year of Service.
- (vii) Car for use on the Company's business and personal use in line with the position of Managing Director.
- (viii) Provision of a Driver by the Company or an allowance of Rs. 78,000/- per year in lieu thereof.

In the event of loss or inadequacy of profits of the Company in any financial year during the term of his appointment his remuneration set out herein above including benefits, amenities and perquisites shall be paid and allowed to him as minimum remuneration for that year subject to the limits applicable from time to time notified by the Government of India.

All other terms and conditions of the agreement dated 2nd February, 2001, shall remain the same.

5) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

This Company has a paid up capital of nearly Rs.10 crores, and is listed on Kolkata and Mumbai stock exchanges with approx. 20,000 shareholders. It is in the business of manufacturing, distributing and servicing of Weighing Machines and Fuel Dispensing Pumps and has more than 80 offices and more than 1250 employees all over India.

Given the size, complexity and nature of business, the remuneration proposed to be paid to the Managing Director is in line with other similar Companies.

6) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Excepting the payment of remuneration for his services as Managing Director, as approved and detailed hereinabove, he has no other pecuniary relationship with the Company.

III. Other information :

1) Reasons for loss or inadequate profits

The Company earned an operating profit of Rs. 240 lakhs for the year 2001-2002. However after providing Rs.1090 lakhs towards Voluntary Retirement payoff and accounting for Deferred Tax Credit of Rs.219 lakhs & prior period adjustments of Rs. 9 lakhs; loss for the year was Rs. 623 lakhs. The reason for loss during the year 2001-2002 was voluntary retirement payoff.

2) Steps taken for improvement

- (i) Rightsizing of workforce and implementation of Voluntary Retirement Scheme has resulted in reduction in employee cost. The impact of manpower reduction will be better felt in the coming years.
- (ii) Overall over-heads control and cost reduction undertaken during 2001-02, will continue during the financial year 2002-03.
- (iii) Improved product design and better negotiations with suppliers have contributed towards reduction of material cost. The focus on material cost reduction will continue in the coming years as well.
- (iv) The Company is working on improving presence in the Retail Market. Besides having added new retail products, the retail operation is being structured to operate through dealers, which is expected to contribute towards turnover and profitability in the coming years.

3) Expected increase in productivity and profits

The Company's sales are expected to grow consequent to the launch of new products and appointment of dealers for retail market. Since rightsizing of workforce is still continuing, steps to control cost are under implementation and the Company is in the process of identifying key locations and appointing dealers, it is difficult to make accurate quantifiable projections of growth.

Details of the Directors retiring by rotation and eligible for re-appointment at the forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement with the Stock Exchanges)

Name : Mr. A. S. Mitra

Address : D-5, Silver Valley No. 2, Shivaji Maharaj Marg

Vakola, Santa Cruz (East), Mumbai

Date of Birth : 1st November, 1933

Mr. Mitra is graduate in Economics and Associate of Chartered Insurance Institute, London. At present he is also a Director of Deutsche Trustee Services (India) Pvt. Limited. He has expertise in Insurance field and has held the position of Managing Director of General Insurance Corporation of India, Mumbai and Chairman & Managing Director of New India Assurance Co. Ltd. as well as Directorship in the following companies the past.

- Indo Asahi Glass Co. Limited
- Jayshree-Tea & Industries Limited
- Select Financial Services Limited
- Kenindia Assurance Co. Limited, (Nairobi)

Name : Mr. S. Ghosh

Address : Block-6, Flat-6, Govt. Housing Estate, 131, NSC

Bose Road, Ranikuthi, Kolkata - 700 040

Date of Birth : 15 November, 1942

Mr. Ghosh is Director on the Board of Avery India Limited since 1999 as a nominee of Financial Institutions. He is also a member of Remuneration Committee of the Company.

He is I.Sc. and has expertise in Insurance field. He has held Directorship in the following companies in the past:

- Stewarts & Lloyds of India Limited, Kolkata
- The New Indian Assurance Company Limited, Mumbai
- National Insurance Company Limited, Kolkata

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

By Order of the Board

30th July 2002

A MATHUR
Secretary

BOARD OF DIRECTORS

MR. A. S. MITRA
Chairman

SECRETARY
MR. A. MATHUR

MR. JAIRAJ SINGH
Managing Director

SOLICITORS
SANDERSONS & MORGANS

AUDITORS
DELOITTE HASKINS & SELLS

MR. L. GUNNING

REGISTRARS
CB MANAGEMENT SERVICES PVT. LTD.
P-22, Bondel Road, Kolkata 700 019
Phone : 2806692-93-94
Fax : 2470263

MR. T. J. COOPER

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

MR. C. J. GREAT
(Alternate to
Mr. T. J. Cooper)

WORKS
51, Hide Road Extension,
Kolkata - 700 088
Phone : 4394608
Fax : 4398617

MR. M. M. SABHARWAL

MR. J. SENGUPTA

Plot Nos. 50-59, Sector - 25
Ballabgarh - 121 004 (Haryana)
Phone : 5234625-632
Fax : 5234091

MR. S. GHOSH

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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, 2002.

FINANCIAL RESULTS

| | (Rs. in Lakhs) | |
|---|--------------------|--------------------|
| | For the year ended | |
| | 31st March 2002 | 31st March 2001 |
| Profit/(Loss) for the year is | (842.22) | (1,125.24) |
| Deferred Taxation | 219.09 | - |
| Leaving a balance of Profit/(Loss) of | (623.13) | (1,125.24) |
| Balance brought forward from previous year | - | 28.87 |
| | (623.13) | (1,096.37) |
| To which is added adjustment in respect of previous year-Income Tax | - | 100.27 |
| | (623.13) | (996.10) |
| Transfer from/(to) General Reserve | 623.13 | 996.10 |
| | - | - |

DIVIDEND

The Directors regret their inability to recommend any dividend in view of loss for the year ended 31st March, 2002.

SALES

Sales for the year ended 31 March, 2002, were at Rs.66.58 Crores as compared to Rs.81.84 Crores for the previous year. Conscientious efforts were made to redefine our product line by eliminating low margin Products from our range of manufacture. In specific terms, the sale of Mechanical Weighing machines and Fuel Dispensing Pumps stood significantly reduced. Similar efforts were made to remove the unviable maintenance contracts from the Contract Holding which affected the total Service Sales during the year. Despite this reduction in Sale, the Company could maintain operating viability.

PROFITS

The year fared much better. As a result of better payment terms and strict controls over outstanding, bad debts were contained. During the year, trade receivables to the extent of Rs.11.5 lakhs were Written Off. Provision for Bad Debt reserve has been made to the extent of Rs.39.5 lakhs.

Finished Goods stock both at the Areas and in the Works, have been kept minimal as a result of better management of Indents and movement of inventory. Work in progress was also contained due to effective indent control.

Consequent to these, despite the turnover at 82% of last year, the operating profit during the year has been at Rs.2.4 Crores against the loss of Rs.10.6 Crores.

OPERATIONS

The current year has been the year for restructuring and reorientation of the Company Policies to reduce costs. Few layers of Management have been eliminated and the field structure - both for Sales and Service - have been revitalised with a specific focus on the Customer. Having redefined the product line, extraordinary efforts were made to improve the quality, response to customers' complaints and delivery commitment. The prices of some of the Products were revised upwards giving better gross margin. The Company enjoys significant share of sales and service in Industrial Market and is working on improving presence in the Retail Market.

RESEARCH & DEVELOPMENT

Your Company developed Digital Load Cell and designed new models of Retail, Counter and Platform Scales during the year. The Company also developed software solutions in industrial applications. The Company has started supplying Weighbridge with Digital Load Cell.

ASSOCIATE COMPANY

Schenck Avery Limited, (SAL) achieved turnover of Rs. 7.72 Crores for the year ended December 2001, and suffered a loss of Rs. 1.90 Crores, which was mainly due to interest burden on term loans & Overdraft for working capital requirements and depreciation for new factory building at Noida.

SAL supplied various type of Balancing Machines to MRF, CEAT, HAL, Lucas TVS etc and also received orders from Hyundai, Hero Honda, HAL, BHEL, NOVA Petro etc. SAL also received order for Dynamometers from L & T John Deere.

Mr.Vikas Chandra was appointed as Chief Executive Officer w.e.f. 10.4.2001.

DIRECTORS

Mr. C. J. Great was appointed as Alternate Director to Mr. T. J. Cooper at the Board of Directors Meeting held on 27 July, 2001. Mr. Great is International Business Director of Avery Berkel Group.

Mr. A. S. Mitra and Mr. S. Ghosh retire from the Board of Directors by rotation in accordance with the provisions of the Articles of Association of the Company and are eligible for reappointment.



AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, retire as Auditors at the forthcoming Annual General Meeting and have indicated their willingness to be reappointed as Auditors.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards issued by the Institute of Chartered Accountants of India have been followed;
- (ii) accounting policies are applied consistently; judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2002, and the profit of the Company for that year;
- (iii) sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- (iv) annual accounts are prepared on going concern basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, the Report on Corporate Governance is given in the Annexure to the Directors Report.

EMPLOYEES

The Directors record their appreciation for the efforts of the Company's Employees at all levels. Inspite of major restructuring and Voluntary Retirement Scheme introduced in the Company resulting into a major reduction in Workforce, the Industrial Relations remained harmonious and cordial during the year.

The Particulars of Employees in accordance with Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, are nil as no employee was in receipt of remuneration exceeding the limits for disclosure specified vide notification no. G.S.R. 288 (E) dated 17th April, 2002. The particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed.

By Order of the Board

New Delhi
21st May, 2002

A. S. MITRA
Chairman

ANNEXURE TO THE BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

Information in accordance with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the period ended 31st March, 2002.

A. CONSERVATION OF ENERGY

- a) Measures taken to conserve energy.
 - The operations of the Company are not very energy intensive. However conservation of energy is achieved by regular maintenance of Generator Sets, Central Air-conditioning Plant, Sub-station equipment, etc., by maintaining high efficiency. Layouts of the Head Office and some of the Area Offices have been remodeled. This has reduced the consumption of power by having less number of air-conditioners and lighting.
- b) Additional investment and Proposals, if any, being Implemented for reduction of consumption of energy.
 - No major investments and proposals are envisaged. Remodeling of layout of other Area Offices is being implemented, which will further reduce consumption of power.
- c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
 - The manufacturing processes of the Company are not very energy intensive. However, the above measures will result in saving of energy and hence reduction in manufacturing cost