



AVERY INDIA LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE SIXTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF AVERY INDIA LIMITED WILL BE HELD AT "GYAN MANCH" 11, PRETORIA STREET, KOLKATA - 700 071 ON TUESDAY, 31st JULY 2007 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 2007 and the Balance Sheet as at that date together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R P Singh, who retires by rotation and is eligible for re-appointment.
3. 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:

"Resolved that M/s. B S R & Company, 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 ".

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass the following Resolution, with or without modification, as an Ordinary Resolution:-
"Resolved that Mr. Amit Luthra, in respect of whom a notice from a Shareholder under Section 257 along with 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."

5. To consider and, if thought fit, to pass the following Resolution, with or without modification, as an Ordinary Resolution:-
"Resolved that Mr. Carl Cramer, in respect of whom a notice from a Shareholder under Section 257 along with 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."

The Company's Register of Members and Share Transfer Books will be closed from 24th July 2007 to 31st July 2007 both days inclusive.

Registered Office :

AVERY HOUSE
28/2, Waterloo Street
Kolkata- 700 069
30th June, 2007

By Order of the Board

A. MATHUR
Company 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 items of Special Business is annexed herewith and forms part of the Notice.
3. The relevant details in respect of item 2 set out above; pursuant to clause 49 of the listing agreement, are annexed hereto.
4. Members may please note that M/s. C. B. Management Services Pvt. Limited, P-22, Bondel Road, Kolkata 700 019 have 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 & Share Transfer Agent.
5. Shareholders are requested to send unencashed Dividend Warrants, if any, for revalidation immediately to the Company's Registrars, M/s. C. B. Management Services Pvt. Limited, for necessary action in this regard.
6. 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

7. Members/Proxies should bring the attendance slips duly filled in for attending the meeting.
8. 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 ITEMS OF SPECIAL BUSINESS SPECIFIED IN THE ANNEXED NOTICE.

Item 4

Mr. Amit Luthra is a Chartered Accountant. He is Managing Partner of Luthra & Luthra, Chartered Accountants a firm of Chartered Accountants at New Delhi. He has experience of over 20 years in Statutory Audit, Internal - cum - Management Audit, Due Diligence and Corporate Law Matters. He has long outstanding relationship with clients of international and national repute and experience of audit in diverse fields spread across the entire spectrum of industries including Public/ Private Limited Companies, Nationalised / Private Sector Banks, Public Sector Undertakings, Nationalised / Private Insurance Companies, Co-operative Societies, Trusts, Branch and Liaison Offices of Foreign Companies, Non-government Organisations, Projects, etc. He is an amateur golfer of international fame; National champion, Asian Games Gold Medalist and conferred the Arjuna Award.

The Company has received a notice in writing along with the requisite deposit from a member signifying his intention to propose the appointment of Mr. Amit Luthra as a Director of the Company.

Mr. Amit Luthra is related to Mr. Rajiv K Luthra, a Director of the Company. Mr. Rajiv K Luthra is interested in the resolution. No other Director has any interest or concern therein.

Item 5

Mr. Carl Cramer is Chief Financial Officer of Avery Weigh-Tronix Group. He has expertise in Accounts and finance field and is a Director on various companies of Avery Weigh-Tronix Group world over. The majority shareholder of the Company namely M/s Avery Berkel Holdings Ltd. U.K. as well as Foreign Collaborator of the Company namely M/s Avery Berkel Ltd. U.K.; both are part of Avery Weigh-Tronix Group. Presence of Mr. Cramer on the Board of Avery India will go a long way in strengthening the Company's bond with Avery Weigh-Tronix Group. Mr. Cramer was appointed on the Board of the Company for the first time in 2003. He resigned from the Board in 2006 to cope up with increased workload relating to acquisition of Avery Weigh-Tronix Group by A V Acquisition Co. 3 Ltd. U.K., due to which he was not in a position to devote sufficient time and attend to the Board and Committee Meetings of Avery India. Most of the activities relating to acquisition are now complete and Mr. Cramer will be able to afford sufficient time to attend to the matters relating to Avery India.

The Company has received a notice in writing along with the requisite deposit from a member signifying his intention to propose the appointment of Mr. Cramer as Director of the Company.

No Director has any interest or concern in the resolution.

ANNEXURE TO THE NOTICE

Details of the Director retiring by rotation and eligible for re-appointment at the forthcoming Annual General Meeting (In pursuance of Clause 49VI (A) of the Listing Agreements)

Name : Mr. R P Singh
Address : Building-1A, Apartment- 051,
Wellington Estate, DLF City Phase V,
GURGAON 122 002 (Haryana)
Date of Birth : 27th October 1943

Mr. R P Singh has done B.Sc. (Hon's Chemistry), B-Tech and M-Tech (Chemical Engineering and Chemical Technology). He has over 40 years of experience in the Management and H R field. He was Vice President, Human Resources & Corporate Affairs of Indian Aluminum Company Limited, Calcutta. Besides that he has held senior positions in various Indian and Multinational organizations.

He is on the Board of the Company since 30th January 2003. He is a member of Audit Committee, Remuneration Committee and Investors/ Shareholders Grievance Committee of the Company.

He is also a Director of Alectron Technologies India Private Limited and Omam Management Training Network Pvt. Ltd.

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

30th June, 2007

By Order of the Board

A. MATHUR
Company Secretary

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 at "Gyan Manch" 11, Pretoria Street, Kolkata - 700 071 On Tuesday, 31st July 2007 At 11.00 A.M. and at any adjournment thereof.

As witness my/our hand(s) this day of2007

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 Sixtieth Annual General Meeting of the Company held at "Gyan Manch" 11, Pretoria Street, Kolkata - 700 071 On Tuesday, 31st July 2007 At 11.00 A.M.

Full Name of the Shareholder in Block Letters

Account No.....

No. of Share held

Signature of the Shareholders/Proxy

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

<p>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.</p>
--

AVERY INDIA LIMITED

BOARD OF DIRECTORS**MR. JAIRAJ SINGH**

Managing Director

MR. G. G. BOWE**MR. R. P. SINGH****MR. RAJIV K. LUTHRA****MR. VIJAY MATHUR****COMPANY SECRETARY**

MR. A. MATHUR

AUDITORS

BSR & CO.

Chartered Accountants

4B, DLF Corporate Park

DLF City III

Gurgaon - 122 002

Phone : 0124-2549191

Fax : 0124-2549101

REGISTRARS

CB MANAGEMENT SERVICES (P) LTD.

P-22, Bondel Road, Kolkata - 700 019

Phone : 033-22806692-93-94

Fax : 033-22870263

REGISTERED OFFICE

'AVERY HOUSE'

28/2 Waterloo Street, Kolkata - 700 069

Phone : 033-22488121-3

Fax : 033-22485675

HEAD OFFICE AND WORKS

Plot Nos. 50-59, Sector - 25,

Ballabgarh - 121 004 (Haryana)

Phone : 0129-4094400

Fax : 0129-2234091

C O N T E N T S

Report of the Directors	2
Annexure to the Directors' Report	4
Report on Corporate Governance	5
Auditors' Report	11
Balance Sheet	14
Profit & Loss Account	15
Cash Flow Statement	16
Schedules to the Accounts	17
Balance Sheet Abstract and	32
Company's General Business Profile	
Consolidated Accounts	33
Salter India Private Limited	51



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 2007.

FINANCIAL PERFORMANCE

	(Rs. in '000)	
	For the year ended	
	31st March 2007	31st March 2006
The Net Profit for the year is	86,033	49,144
Provision for Taxation, Current Tax	30,034	10,800
Deferred Tax Charge/(Credit), and	(766)	(10,640)
Provision for Fringe Benefit Tax absorb	2,237	2,810
Leaving a balance of Profit/(Loss) of	<u>54,528</u>	<u>46,894</u>
Which is proposed to be appropriated as follows:		
Transfer from/(to) General Reserve	(50,000)	(40,000)
Balance being carried forward is	<u>4,528</u>	<u>6,894</u>

DIVIDEND

Your Directors do not recommend any dividend for the year ended 31st March 2007 in their efforts to consolidate Company's financial position keeping in view challenges of inflationary pressure and global competition.

SALES

Sales for the year under report remained almost the same as previous year. Sales for the year 2006-07 were at Rs. 727 million as compared to Rs. 725 million in 2005-06. Sales in fuel dispensing pumps segment substantially improved in 2006-07 as against sales in 2005-06. However sales in weighing machines segment were lower than last year. Increased competition had adverse impact on sales in weighing machines segment. However increase in fuel dispensing pumps segment compensated reduction in weighing machines segment.

OPEN OFFER

A V Acquisition Co 3 Limited, U.K. ("Acquirer") has made an Open Offer to acquire 21,19,769 fully paid-up Equity Shares of Rs. 10/- each of Avery India Ltd., representing 21.56 % of the outstanding equity share capital of the Company, at a price of Rs. 55/- per fully paid up Equity Share, payable in cash. A Public Announcement was made in Financial Express, Janasatta and Aajkaal newspapers on August 01, 2006. A copy of this Public Announcement is also available at SEBI's website (www.sebi.gov.in).

A V Acquisition Co 3 Limited, U.K., has entered into a Share Purchase Agreement ("SPA") dated July 31, 2006, with Avery Weigh-Tronix, Inc (the "Seller"), for the acquisition of the entire issued share capital of Avery Weigh-Tronix Holdings Limited, England. This has resulted in an indirect acquisition of equity shares in and control over subsidiaries of Avery Weigh - Tronix Holdings Limited including Avery Berkel Holdings Ltd, a UK intermediate holding company of Avery India Limited (the "Target"). Avery Berkel Holdings Ltd., UK holds 53.44% of the fully paid up equity share capital of the Target. The Acquirer is making an offer to the shareholders (other than the parties to the SPA) of Target to acquire 21,19,769 fully paid-up Equity Shares of

Rs. 10/- each of Target ("Equity Shares"), representing 21.56% of the outstanding voting equity share capital, at a price of Rs. 55/- per fully paid up Equity Share, payable in cash. M/s Enam Financial Consultants Pvt. Ltd., Managers to the offer has filed letter of offer on 14 August 2006 with SEBI. Approval of SEBI is awaited.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

Weighing industry has two major segments i.e industrial weighing and retail. Weighbridges constitute major part of Industrial weighing segment besides which process weighing, in-motion weighing etc also form part of industrial weighing segment. In retail segment there is large number of manufacturers in organized and unorganized sector. Due to ineffective tariff barrier against cheaper imports, there are a number of foreign suppliers / importers in this segment. There are a number of national and multinational players in organized sector besides a large number of small manufacturers in unorganized sector in industrial segment of weighing industry. High technology products area of Industrial segment e.g process weighing equipment, in-motion weighing systems, load cell manufacturing, high end weighbridges etc. which require superior technical capabilities to manufacture and contribute better margins has fewer number of players. In fuel dispensing pumps segment also there are only a few manufacturers but there is intense competition due to small number of buyers.

SEGMENT-WISE PERFORMANCE

Your Company operates in two business segments namely Weighing Machines and Fuel Dispensing Pumps. Company sold 2758 weighing machines for Rs. 396 million during the year under report. Performance of the Company in Fuel Dispensing Pumps segment improved substantially and as against 2 Fuel Dispensing Pumps sold last year, your company sold 430 Fuel Dispensing Pumps for Rs. 38 million in 2006-07.

FINANCIAL PERFORMANCE

Profit before tax during the financial year under review was Rs. 86 million at against Rs. 49 million in the previous year. This was mainly due to lower payout towards voluntary retirement scheme during the year under review. Last year Company had paid Rs. 87 million towards voluntary retirement scheme as against Rs. 7 million in 2006-07. Out of Profit before tax of Rs. 86 million a sum of Rs. 29 million has been appropriated towards Provision for Taxation and Rs. 2 million towards provision for fringe benefit tax. Out of balance amount a sum of Rs. 50 million has been transferred to general reserve.

OPERATIONAL PERFORMANCE

During the year Materials & Manufacturing expenses were Rs.288 million as against Rs.276 million in the previous year and Employees Remuneration and Benefits expenses were Rs. 165 million as against Rs.177 million in the previous year. While Materials & Manufacturing expenses and Employees Remuneration and Benefits expenses remained almost the same, Administrative & other expenses were lower at Rs. 133 million as against Rs.220 million in the previous year. This is mainly due to Voluntary Retirement scheme expenses which has gone down from Rs. 87 million in 2005-06 to Rs. 7 million in 2006-07.

RISKS AND CONCERNS

Major causes of concern for the Company are growing competition and cheaper imports. Besides above present Tax Structure which is in favour of imports due to absence of effective tariff barrier, lack of availability of VAT credit across the states are also the cause of concern for the Company.

OPPORTUNITIES, THREATS AND OUTLOOK

The Company sees opportunities emerging in software development, load cell manufacturing and process weighing. Focus on selling weighing systems rather than to sell merely the machine will help Company face the challenges posed by increased competition and will give better margins by providing complete solution for integrating weighing with the system of the customer. Increasing growth of ERP packages and their implementation and software integration in more and more organizations will also open new opportunities.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The internal control system of the Company is adequate and this is periodically reviewed for effectiveness. The Company has appointed well-experienced Chartered Accountant firms for internal audit of all the four regions covering entire operation of the Company. These Internal Audit firms carry out a well-organized audit plan of all locations covering each location twice a year to review implementation and effectiveness of internal control systems. Findings of Internal Auditors and their suggestions for improving and strengthening internal controls, waste reduction & cost saving etc are reviewed at regular intervals with top management and key observations are discussed for implementation / correction.

HUMAN RESOURCE

Your Directors wish to place on record their appreciation for valuable contribution made by all the employees of the Company. The Industrial Relations remained harmonious and cordial during the year. Company paid a sum of Rs. 7 million under Voluntary Retirement Scheme to the employees who opted for the Scheme. As on 31st March 2007 your company had 672 employees.

PARTICULARS OF EMPLOYEES

The Particulars of Employees in accordance with Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, are annexed.

INSURANCE

All the assets of your Company including Plant & Machinery, Building, Equipment etc. have been adequately insured.

RESEARCH & DEVELOPMENT

Development of new Load Cell under the technology transfer from Avery Weigh-Tronix was further progressed. Besides load cells, work on further development and improvement of various products in Weighing as well as Fuel Dispensing Pumps segment was also progressed during the year.

SUBSIDIARY COMPANY

Your Company has acquired remaining 250,000 equity shares of Rs. 10/- each of Salter India Pvt. Ltd., New Delhi (SIPL) investing a sum of Rs. 19,207,500 and thereby making SIPL its wholly owned subsidiary. SIPL manufactures tubular spring balances and suspended spring dial scales and has continued to do well. The net sales of SIPL for the year were Rs. 86.16 million as

against Rs. 74.56 million in the previous year. The net pre-tax profit for the year was Rs. 20.62 million as against Rs. 16.87 million for the previous year.

DIRECTORS

Mr. C Cramer resigned from the Board during the year under report. Your Directors take this opportunity to place on record their deep appreciation for the valuable guidance and unstinted support given by him during his association with the Company.

Mr. R P Singh retires from the Board of Directors by rotation in accordance with the provisions of the Articles of Association of the Company and is eligible for reappointment.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, resigned as Auditors during the year under report. M/s BSR & Company, Chartered Accountants, were appointed in casual vacancy created due to resignation of M/s. Deloitte Haskins & Sells.

M/s. BSR & Company, Chartered Accountants, retire as Auditors at forthcoming Annual General Meeting and have indicated their willingness to be reappointed as Auditors. Observations made in the Auditors Report read with Notes to the financial statements are self explanatory and therefore, do not call for any further comments under Sec. 217 (3) of the Companies Act, 1956.

DIRECTOR'S 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 2007 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.

ENERGY & FOREIGN EXCHANGE

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.

APPRECIATION

Your Directors deeply appreciate cooperation and support given by Customers, Shareholders, Suppliers, Bankers, State & Central Government and Avery Weigh-Tronix, the Promoter & Foreign Collaborator of the Company.

By Order of the Board

Place : Gurgaon

JAIRAJ SINGH

R.P. SINGH

Date : 25th April, 2007

Managing Director Director

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, 2007.

A. CONSERVATION OF ENERGY :

- | | |
|--|---|
| a) Measures taken to conserve energy. | - Company regularly makes efforts for optimum utilization of high energy consumption equipment like Central Air-conditioning Plant etc. and takes necessary steps for conservation of energy like regular maintenance of Generator Sets, Central Air-conditioning Plant, Sub-station equipment, etc. The operations of the Company are not very energy intensive. |
| b) Additional investment and proposals, if any, being Implemented for reduction of consumption of energy. | - Efforts for optimum utilization of energy will continue. There are no major investments and proposals envisaged. |
| 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. |

B. TECHNOLOGY ABSORPTION :

Research & Development

- | | |
|---|---|
| 1. Specific areas in which R&D carried out by the Company. | - Focus of R&D is towards development of loadcells for Platform and Retail Scales, Standard softwares on Windows platform and consolidation of Retail Scales and introduction of Digital Weighbridge. |
| 2. Benefits derived as a result of the above R&D. | - Benefits from R&D are Import substitution, reduced cost and better utilization of existing manpower etc. R&D keeps Company abreast with market needs vis a vis technology enhancement. |
| 3. Future plan of Action | - Future plan is to augment existing range of Fuel Dispensing Pumps, New weighbridge design to improve productivity and Consolidation of Digital cell technology. |
| 4. Expenditure on R&D | |
| a) Capital | - Rs. 0.5 million |
| b) Recurring | - Rs. 8.3 million |
| c) Total | - Rs. 8.8 million |
| d) Total R&D Expenditure as a percentage of total turnover | - 1.21% |
| 5. Technology Absorption, Adaptation & Innovation : | |
| 1) Efforts in brief made towards Technology absorption, adaptation and innovation. | - Technical information regarding new developments in weighing and sensor technology is regularly exchanged between our collaborator's Technical Department and us. |
| 2) Benefits derived as a result of the above efforts. | - Improved productivity and quality improvement. |
| 3) Imported Technology | |
| a) Technology Imported | - Consolidation of technology previously imported from Avery Berkel. |
| b) Year of Import | - 2000-2007 |
| c) Has Technology been Fully absorbed. | - Technology has been fully absorbed as per Technology Transfer Agreement. |
| d) If not fully absorbed, areas where this has not taken place and reasons thereof and future plan of Action. | - Not Applicable |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- | | |
|-----------------------------------|--|
| 1. Activities relating to Exports | : Export during the year 2006-2007 comprised of mainly Platform Scale, Weighbridges and Load Cells. Thrust area in the coming year will be Process Weighing equipment. |
| 2. Total Foreign Exchange used | : Rs. 47.3 million |
| earned | : Rs. 11.7 million |

Place : Gurgaon
Date : 25th April, 2007

JAIRAJ SINGH
Managing Director

By Order of the Board
R. P. SINGH
Director

ANNEXURE TO THE BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2007.

Name	Designation of the Employee	Remuneration Received ** Rs.	Qualification and Experience of the Employee	Date of Commencement of Employment	Age	Details of Previous Employment	Period of Previous Employment
Mr. Jairaj Singh	Managing Director	5,360,244	B.A. (Hon's) Economics 35 Years	1st January, 2001	57	Vice President, Indian Aluminum Company Ltd.	1972 to Dec., 2000

- Notes: 1. Appointment is contractual
2. Mr. Jairaj Singh is not related to any other Director.
3. ** Remuneration received includes value of perquisites.

Place : Gurgaon
Date : 25th April, 2007

JAIRAJ SINGH
Managing Director

By Order of the Board
R. P. SINGH
Director

AVERY INDIA LIMITED

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, the Report on Corporate Governance is given below:

1. Company's philosophy on Code of Governance

Avery's philosophy is to implement Corporate Governance practices to achieve excellence in chosen field and to conduct its business in a way which safeguards and adds value in the long term for the interest of shareholders, creditors, customers, employees and other stakeholders. Corporate Governance practices are aimed at assisting the top management of the Company to operate in regulatory framework and in compliance of applicable statutes.

2. Board of Directors

Four Board Meetings were held in the financial year 2006-2007 on 28/4/2006, 27/7/2006, 26/10/2006 and 25/1/2007. The Composition of the Board, attendance at the Board Meetings held and at last Annual General Meeting, number of Directorships and memberships/chairmanships in Indian Public Companies (including Avery India Ltd) are given below: -

Name of Director	Category of Directorship	FY 2006-2007 Attendance at		No. of Directorships	No. of Board Committees	
		Board Meetings	Last AGM		Chairman	Member
Mr. Carl Cramer*#	Promoter Non-Executive Chairman	1	No	1	1	1
Mr. Jairaj Singh	Managing Director	4	Yes	2	0	1
Mr. G G Bowe *	Promoter Non-Executive	3	No	1	0	0
Mr. R P Singh	Independent Non-Executive	4	Yes	1	3	0
Mr. Rajiv K Luthra	Independent Non-Executive	2	Yes	7	0	3
Mr. Vijay Mathur @	Independent Non-Executive	4	Yes	2	0	2

* Represent Avery Weigh-Tronix group.

Resigned (was Directors up to 27/7/2006, accordingly directorship / membership / position as on that date is given)

@ Joined Board on 28/4/2006

3. Audit Committee

- Terms of Reference & Composition, Name of members and Chairman

The Audit Committee comprises Mr. Vijay Mathur, Chairman of the Committee, Mr. R P Singh and Mr. Rajiv K Luthra. These Directors are Independent. Mr. Carl Cramer resigned during the year. Mr. P S Rao, V P (Finance) who is in-charge of finance function and Mr. Kaushal Kishore, Partner M/s. BSR & Co., Chartered Accountants, Statutory Auditors of the Company are invitees to the Meeting. The Company Secretary acts as the Secretary of the Audit Committee. The Terms of Reference of this Committee are wide enough covering the matters specified for Audit Committees under the Listing Agreements.

- Meeting and the attendance during the year.

There were four meetings of the Audit Committee during the year 2006-2007 on 28/4/2006, 27/7/2006, 26/10/2006 and 25/1/2007. The attendance of Members of the Committee is given below:

Name of Director	No. of Meetings Attended
Mr. R P Singh	4
Mr. Carl Cramer @	1
Mr. Rajiv K Luthra	2
Mr. Vijay Mathur #	4

@ Resigned during the year.

Appointed during the Year.

4. Remuneration Policy**A. Remuneration Committee**

Remuneration Committee consists of three Non-Executive Directors namely Mr. R P Singh, Chairman, Mr. Vijay Mathur and Mr. Rajiv K Luthra. There was only one meeting held on 26/10/2006, which was attended by Mr. R P Singh and Mr. Vijay Mathur.

B. Remuneration to Non-Executive Directors

The Non - Executive Directors are paid sitting fees of Rs. 5,000/- for every meeting of Board, Remuneration and Audit Committee. No sitting fee is paid to the members of Committee of Directors (Investors/ Shareholders Grievance Committee). The details of the remuneration paid to the Non-Executive Directors for the year 2006-2007 are given below:

C. Remuneration to Managing Director

The Remuneration of the Managing Director is reviewed and recommended by the Remuneration Committee to the Board and approved by shareholders in General Meeting. The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent.

The Company does not have stock option plan for its Directors or employees.

The details of the remuneration paid to the Directors for the year 2006-2007 are given below:

Name of Director	Salary (in Rs.)	Perquisites, Allowances, Benefits (in Rs.)	Commission (in Rs.)	Sitting Fees# (in Rs.)	Total (in Rs.)	Service Contract / Notice Period
Mr. Carl Cramer @#	Nil	Nil	Nil	Nil	Nil	Retirement by Rotation
Mr. Jairaj Singh	3,600,000/-*	1,760,244/-**	Nil	Nil	5,360,244/-	Contractual***
Mr. G G Bowe#	Nil	Nil	Nil	Nil	Nil	Retirement by Rotation
Mr. R P Singh	Nil	Nil	Nil	45,000/-	45,000/-	Retirement by Rotation
Mr. Rajiv K Luthra	Nil	Nil	Nil	20,000/-	20,000/-	Retirement by Rotation
Mr. Vijay Mathur \$	Nil	Nil	Nil	45,000/-	45,000/-	Retirement by Rotation

* Includes Rs. 6,00,000/- paid towards Bonus

** Includes Rs. 8,08,666/- towards Contribution to provident, pension and gratuity funds.

*** The contract is for three years, which has been approved by the Remuneration Committee and the Board on 26th October 2006 and by Shareholders in EGM on 1st December 2006. Contract may be determined by a notice period of six months on either side.

No sitting fee was paid to Non-Executive Directors who are senior executives of the Avery Weigh-Tronix group

@ resigned during the year

\$ Joined during the year

5. Shareholders' Committee

The Company has a Committee of Directors (Investors/Shareholders Grievance Committee) to look into Investors/Shareholders Grievance relating to the transfer and transmission of shares, issue of duplicate share certificates and allied matters. Mr. Jairaj Singh, Managing Director and Mr. R P Singh, Non-Executive Director are the members of the Committee. Mr. R P Singh is Chairman of the Committee. Mr. A Mathur, Company Secretary is the Compliance Officer of the Company. During the year Company has received sixteen complaints and all were resolved to the satisfaction of shareholders. There are no complaints pending.

Shareholding Movement, Summary of all transfer (in physical mode) during the period 1st April, 2006 to 31st March, 2007.

- | | | | |
|-------|---|---|--|
| A) i) | No. of request for transfer received | - | 174 for 11937 shares |
| ii) | No. of Transfer registered | - | 166 for 11037 shares |
| iii) | No. of transfer rejected | - | 6 for 730 shares |
| iv) | No. of Seller Notice to stop transfer | - | 2 for 170 shares |
| v) | Remarks | - | Share certificates after necessary endorsement were dispatched to the lodger within the stipulated time. |
| B) i) | No. of request received and registered for transmission / deletion of name. | - | 24 for 3490 shares |
| ii) | Remarks | - | Share certificates after necessary endorsement were despatched to the lodger within the stipulated time. |