

ANNUAL REPORT FOR THE YEAR 2007-08

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AVON WEIGHING SYSTEMS LTD.





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Financial Performance for Last 5 Years

(Rs in Lacs)

	2007-08	2006-07	2005-06	2004-05	2003-04
Sales	4946.91	3910.49	2235.99	1146.05	810.75
Other Income	106.43	56.80	106.91	37.46	41.88
PBIDT	538.90	404.24	200.26	98.72	55.71
Interest	251.58	172.88	45.24	32.97	22.94
PBDT	274.93	231.36	155.02	65.75	32.77
Depreciation	12.39	13.40	15.72	14.12	6.81
PBT and prior period items	274.93	217.96	139.30	51.63	25.96
Tax/Deferred Tax	88.54	74.34	54.18	20.70	11.86
PAT	186.39	143.62	85.12	30.93	14.10
Earning Per Share (in Rupees)	6.55	5.04	6.08	2.21	1.54

Board of Directors

Mr. Pankaj Saraiya	Chairman / Managing Director
Mrs. Rupal Saraiya	Whole Time Director
Mrs. Shantaben P. Saraiya	Director
Mr. R. M. Joshi	Director
Mr. Anmol Sekhri	Director
Mr. Devang Vyas	Director

Company Secretary

Mrs. Anita K. Vyas. (B.Com.L.L.B.FCS)
A-52, Krishna Kunj, Near Yamuna Nagar, Lokhandwala, Andheri (W), Mumbai - 400 053.

Statutory Auditor

G. M. Purohit & Co. (FCA)
213, Tapo Commercial Centre, Rammandir Road, Goregaon (W), Mumbai - 400 104.

Registered Office

15, 2nd Floor, B Wing, Kamal Kunj, S. V. Road, Irla Bridge, Andheri (W), Mumbai - 400 058.

Factory Address

1. Near Sangam Hotel, Sai Road, Baddi (H.P), Tehsil Nalagad, Dist: Solan, H.P-173205.

Notice

Notice is hereby given that the 9th Annual General Meeting of the Shareholders will be held on 17th May, 2008 at 11 am at the Registered office 15/B, Kamal Kunj, Irla, S V Road, Andheri (W), Mumbai - 400058 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Director's and Auditor's Report and Audited Profit & Loss Account for the year ended 31st March, 2008. And Balance Sheet as on that date.
2. To consider and declare dividend.
3. To appoint M/S G M Purohit & Co, Chartered Accountants as Auditors and to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their Remuneration.

By order of the Board,
For **Avon Weighing Systems Limited**

Sd/-
Mrs. Anita Vyas.
Company Secretary
Mumbai, 15th May, 2008

Registered Office:
15/B, 2nd Floor, Kamal Kunj,
S. V. Road, Irla,
Andheri (W),
Mumbai - 400058.

NOTES:

- 1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the company. A proxy has right to vote at the meeting.
- 2 As per Section 171(2) of the Companies Act, 1956, consent letter is being sent to all shareholders to hold the meeting at shorter notice.

By order of the Board,
For **Avon Weighing Systems Limited**

Sd/-
Mrs. Anita Vyas.
Company Secretary
Mumbai, 15th May, 2008

Directors Report

To,
The Shareholders
AVON WEIGHING SYSTEMS LTD.

Your Directors have pleasure in presenting the 9th Annual Report of your company together with the Audited Statement of Accounts of the Company for the ended 31st March 2008.

FINANCIAL PERFORMANCE

Rs. In Lacs

Year Ended March 31	Current Year 2007-2008 Amount (Rs.)	Previous Year 2006-2007 Amount (Rs.)
INCOME		
Turnover of Sales	4946.91	3910.49
Other Income	266.88	106.96
Less: Expenditure	4938.86	3799.49
PROFIT BEFORE TAXATION	274.93	217.96
Less: Provision for Current Year Taxation	90.00	80.50
Less: Provision for Deferred Tax Liability	(2.31)	(6.85)
Less: Provision for Fringe Benefit Tax	0.85	0.69
PROFIT AFTER TAXATION	186.39	143.62
Less: Transfer to General Reserve	30.00	20.00
Less: Dividend Dist. & Tax thereon	43.24	20.81
Less: Issue of Bonus Shares	-	98.01
Add: Balance brought forward	103.07	98.27
BALANCE CARRIED TO BALANCE SHEET	216.22	103.07

DIVIDEND

Your Directors are pleased to recommend a dividend @ 13.5 % on the Equity Share Capital of the Company for the year ended 31st March 2008. The total outflow on account of dividend and tax thereon amounts to Rs.43.24 Lacs (Previous Year Rs.20.81 Lacs)

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors Confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- They have selected such accounting policies and applied them consistently and made judgments and estimates that 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 financial year and of the profits or loss of the company for that period.
- They have taken proper and sufficient care 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.
- They have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement with the Stock Exchange, the report of the Corporate Governance together with Auditors Certificate regarding Compliance of the SEBI code of Corporate Governance is annexed herewith.



AUDITORS

The Statutory Auditors of your Company M/s G. M. Purohit & Co. Chartered Accountants, Mumbai, who were appointed as the Auditor to hold office until the conclusion of the ensuring Annual General Meeting, are eligible for re-appointment. The Company has received the Certificate from them to the effect that their appointment, if made, would be within the prescribed limits under section 224 (I-B) of the Companies Act 1956.

DEPOSITS

The Company has not accepted Deposits from the Public falling within the purview of Section 58A of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO.

The prescribed particulars under section 217 (1) (e) of the Companies Act, 1956 relating to Conservation of Energy & Technology Absorption are as details below:

ELECTRICITY ABSORPTION:	2007-2008	2006-2007
1. AMOUNT (in Lacs)	Rs. 4.03 Lacs	Rs. 3.00 Lacs

FOREIGN EXCHANGE EARNINGS & OUTGO	2007-2008	2006-2007
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Total Foreign Exchange earned:

a) From Export	56,89,695 US \$	73,15,193 US \$
b) Advance recd from Debtors	—	18,20,000 US \$

Total Foreign Exchange outgo:

a) For Purchase	2,90,33,261 J Yen	5,49,59,088 J Yen
	55,27,577 US \$	72,99,938 US \$
b) For Travel	435 US \$	33,133 J Yen
	57 GBP	

PARTICULARS OF EMPLOYEES

During the period under review there was no employee drawing a salary more than as prescribed as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

DISCLOSURE UNDER SECTION 274 (1)(g)

None of the Directors of the company are disqualified for being appointed as Directors as specified under section 274 (1) (g) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000.

ACKNOWLEDGMENT

Your Board takes this Opportunity to thank the Customers, Shareholders, and Vendors & Bankers for the faith reposed in the Company. Your Directors also, put on record their sincere appreciation of the contribution of its employees, who through their competence, hard work & co-operation have enabled the Company to achieve consistent growth.

For and On Behalf of the Board of Directors of
AVON WEIGHING SYSTEMS LTD.

Sd/-
Mr. Pankaj Saraiya
Chairman

Mumbai, 15th May 2008.

REPORT ON CORPORATE GOVERNANCE FORMING PART OF DIRECTORS REPORT :**A Brief statement on Company's Philosophy on Code of Corporate Governance:**

The Philosophy of the Company in relation to Corporate Governance is to ensure transparent disclosures and reporting that confirms fully to laws, regulations and guidelines, and to promote ethical conduct throughout the organization with primary objective of enhancing shareholders value while being a responsible corporate citizen. Company firmly believes that any meaningful policy on the Corporate Governance must provide empowerment to the executive management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making power vested in the executive management are used with care and responsibility to meet shareholders and stake holders aspirations. The company is committed to attain the highest standards of Corporate Governance.

Board Meetings :

During the year, Board Meetings were held and the attendance of each Director in the Board Meetings and the last Annual General Meeting is detailed herein below:

Name of Promoter Directors/ Non- Executive Directors	Designation	Number of Board Meetings held during the year 2007-08	Number of Board Meetings attended during the year 2007-08	Attendance at last Annual General Meeting held on 18-07-2007
Promoter Directors				
Mr. Pankaj Saraiya	Managing Director	13	13	YES
Mrs. Rupal Saraiya	Whole-Time Director	13	13	YES
Mrs. Shantaben Saraiya	Director	13	13	YES
Non-executive Directors				
Mr. R. M. Joshi	Independent Director	13	13	YES
Mr. Anmol Sekhri	Independent Director	13	13	YES
Mr. Devang Vyas	Independent Director	13	13	YES

Detail of Directorship on the Board of other Companies as on 31.3.08

Sr.No.	Name of Director	No. of other Companies in which Directorship/ Chairmanship is held.	
		Directorship	Chairmanship
1	Mr. R. M. Joshi	3	Nil
2	Mr. Anmol Sekhri	2	Nil

Remuneration paid to Whole-time Directors and sitting Fee to the Non-executive Directors.

Remuneration to Whole-Time Directors is being paid as per terms of their appointment. The details of remuneration paid to the Whole-time Directors during the year are stated herein below:

Sr.No	Name	Designation	Salaries & Allowances	Other Benefits & Perks	Total
1	Mr. Pankaj Saraiya	Managing Director	10.80 Lacs	Nil	10.80 Lacs
2	Mrs. Rupal Saraiya	Whole-Time Director	10.80 Lacs	Nil	10.80 Lacs