

YUKEN INDIA LIMITED

26TH ANNUAL REPORT

2001 - 02

Report  junction.com

YUKEN

YUKEN INDIA LIMITED**YUKEN****BOARD OF DIRECTORS****MRS S YUKI - Chairman****MR M EGI****MR K TAKAKU****MR M INOUE****MR R SRINIVASAN****MR M NARAYAN****MR ASVIN VARADARAJAN****MR B R JAGAN****MR C P RANGACHAR - Managing Director****BANKERS****STATE BANK OF INDIA****BANK OF TOKYO MITSUBISHI LTD.****AUDITORS****M/S FRASER & ROSS****Chartered Accountants****REGISTERED OFFICE AND WORKS****P.B. No. 16****Whitefield Road****Whitefield, Bangalore - 560 066****SALES OFFICES****26, Community Centre****Mayapuri, New Delhi - 110 064****41-B, Rash Behari Avenue****Kolkata - 700 026****H-4, Ansa Indl. Premises****Co-op Society Limited****Saki Vihar Road, Sakinaka****Mumbai - 400 072****No.126, 'Harinivas', II Floor****4th Main, 11th Cross, Malleswaram****Bangalore - 560 003.**

YUKEN INDIA LIMITED**NOTICE**

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the members of Yuken India Limited, will be held at Registered Office, P.B.No.16, Whitefield Road, Whitefield, Bangalore -560066 on Thursday the 19th September 2002 at 10.30 AM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Balance Sheet as at 31st March 2002 and the Profit and Loss account for the year ended on that date together with the reports of the Auditors and the Directors thereon.
2. To appoint a Director in place of Mr Ashvin Varadarajan, who retires by rotation, but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr M Narayan, who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION :

RESOLVED that subject to the provisions of section 198,269 and 309 of the Companies Act 1956, read with Schedule XIII thereto, and other applicable provisions if any, of the Companies Act 1956, the approval of the share holders be and is hereby accorded for the re-appointment of Mr. C P Rangachar as the Managing Director of the Company for a further period of 3 (three) years commencing from 1st May 2002 and the remuneration payable to him in the manner following:

- | | | |
|--------------------------------|---|---|
| 1. Salary | : | Rs 100000 /- pm in the scale of Rs 100000/-
Rs 150000/- with authority to Board to fix such annual increment as it deem fit. |
| 2. Commission on Net Profits | : | One percent of Net profits |
| 5. Perquisites | : | |
| a) Housing | : | Free Furnished Accommodation. |
| b) Gas, Electricity, Water | : | Actual. |
| c) Medical reimbursement | : | Self and Family at Actual |
| d) Leave Travel Allowance | : | Self and Family once a year. Actual reimbursement. |
| e) Club Fees | : | Club Fees subject to a maximum of two clubs. No Life Membership. |
| f) Personal Accident Insurance | : | Self and Family. Premium not to exceed Rs.6000/- p a. |
| g) Provident Fund | : | As per Company's rules. |
| h) Superannuation | : | As per Company's rules |
| i) Gratuity | : | Half month's salary for each completed year of service. |
| j) Motor Car | : | Free use of car with driver |
| k) Telephone & Fax | : | Free Telephone & Fax at residence |
| l) Earned Leave | : | One month's leave with full pay and allowances for every completed 11 months of service. |
| m) Encashment of Leave | : | Leave accumulated and not availed of during his term as Managing Director may be allowed to be encashed at the end of his term. |

YUKEN INDIA LIMITED**YUKEN**

FURTHER RESOLVED that in the event of absence (or) inadequacy of profits if any, in any financial year, during the period 1st May 2002 to 30th April 2005, the remuneration by way of salary, allowances, commission and perquisites payable to Mr C P Rangachar, Managing Director shall not exceed the limits as prescribed in Schedule XIII to the Companies Act 1956 as amended from time to time.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to take all such actions as may be necessary, desirable, (or) expedient to give effect to the above RESOLUTION.

NOTES

1. The relative explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of the Special Business set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The Instrument of proxy for use at the meeting must be lodged at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 17/09/02 to 19/09/02 (both days inclusive)
5. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 15 days in advance from the date fixed for the Annual General Meeting to enable the Management to keep the information ready.
6. Members are requested to intimate to the Company changes, if any, in their registered addresses at an early date.

REGISTERED OFFICE :
P.B.No.16, Whitefield Road
Whitefield
Bangalore 560 066

By Order of the Board

Ajay Joseph
Company Secretary

Place : Bangalore
Date : 27.07.2002

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT 1956, IN RESPECT OF THE SPECIAL BUSINESS SET OUT IN THE NOTICE**ITEM NO 5 :**

The share holders are aware that Mr. C P Rangachar has been in charge of the overall Management and Administration of the affairs of the Company since inception. Due to the dedicated services rendered by Mr. C P Rangachar, the Company has grown from strength to strength. Keeping in mind the contribution made by Mr. C P Rangachar towards the growth and performance of the Company, it is felt that it will be in the best interest of the Company if his services are continued for a further period of 3 (three) years with effect from 01/05/2002. Hence the Board of Directors have decided to re-appoint him as Managing Director for a further period of three years on a remuneration and other terms and conditions set out in the Resolution. The remuneration fixed to be payable is reasonable by any standard and commensurate with the duties and responsibilities entrusted to and discharged by Mr. C P Rangachar.

Further the remuneration is within the limits prescribed under Schedule XIII to the Companies Act 1956. Hence the Resolution is placed before you for your approval and the Board recommends the adoption of the Resolution in the best interests of the Company.

None of the Directors except Mr. C P Rangachar is interested in the Resolution.

Report  junction.com

YUKEN INDIA LIMITED**DIRECTORS' REPORT****To the Members**

Your Directors have pleasure in presenting the 26th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2002.

FINANCIAL RESULTS

	Rs. in lacs	
	2001-02	2000-01
INCOME	3184.99	3184.14
Profit before Taxation	38.49	171.95
Surplus brought forward from previous year	199.58	90.62
TOTAL	238.07	262.57
Provision for Taxation	20.00	51.00
Deferred Tax Benefit	(10.00)	-
Balance available for appropriation	228.11	211.57
Your Directors recommend the following appropriation		
i) Transfer to General Reserves	-	12.00
ii) Surplus carried to Balance Sheet	228.11	199.57

YEAR IN RETROSPECT

The Company has been able to achieve a turn over of Rs 3185 Lakhs compared to Rs 3184 Lakhs in 2001. The operations of the Company for the year under review have resulted in a net profit of Rs 28 Lakhs. Consistent efforts are being made by the Company to improve the performance..

DIVIDEND

In view of marginal surplus available, your Directors do not consider it prudent to recommend a dividend for the year.

CORPORATE GOVERNANCE

The Corporate Governance in terms of Listing Agreement is being implemented from the current financial year. The information to be furnished under Corporate Governance will be furnished in the Directors' Report in respect to the current Financial Year.

YUKEN INDIA LIMITED**DIRECTORS' RESPONSIBILITY STATEMENT :**

Your Directors make the following statement in terms of section 217(2AA) of the Companies Act , 1956 with respect to Directors' responsibility.

Your Directors confirm that :

1. In the preparation of the accounts for the year ended 31st March 2002, the applicable accounting standards have been followed.
2. Such accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the financial year ended 31st March 2002 and of the profit of the Company for that year.
3. Proper and 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.
4. The accounts for the year ended 31st March 2002 have been prepared on a going concern basis.

DIRECTORS

Under Section 256(1) of the Companies Act 1956, and Article 116 of the Articles of the Company, Mr. Ashvin Varadarajan and Mr M Narayan are liable to retire by rotation at this Annual General Meeting. They are eligible offers themselves for re-appointment.

AUDIT QUALIFICATIONS & COMPANY'S EXPLANATION

The auditors have referred to certain overdue debts, amounting to Rs 25.42 Lakhs in respect of which they were unable to express their opinion as to their recoverability.

As the Directors expect that all these debts are fully recoverable in the ordinary course of business , various steps have been taken to recover such outstanding.

PERSONNEL

Industrial relations remained cordial throughout the year. Your Directors would like to place on record their appreciation of the valuable contribution by the employees and look forward to even higher level of performance in the current year.

Information required under section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employment) Rules 1975

No employee was in receipt of remuneration for the year in the aggregate of Rs 24,00,000/- per annum or was in receipt of remuneration for any part of the year in the aggregate of Rs 2,00,000 per month.

INFORMATION UNDER SECTION 217 (1)(e) OF THE COMPANIES ACT 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988:

YUKEN INDIA LIMITED**1. Conservation of Energy:**

The manufacturing activities of the Company do not consume substantial power/energy. However, necessary steps are being taken to conserve energy

2. Foreign Exchange Earnings and outgo

(Rs. in Lakhs)

Foreign Exchange Earnings :-	
Export sales	10.61
Foreign Exchange outgo:	
i) Import of Rawmaterials Components	401.85
ii) Capital Goods	-
iii) Travel	5.29
iv) Dividend (net)	-
v) Technical Fee (net)	12.00
vi) Royalty(net)	0.22
vii) Services Rendered	-

3. Research and Development (R&D)**a) Specific areas in which R&D carried out by the Company.**

Continuous improvements in Pumps and Valves manufactured by the Company.

b) Benefits derived as a result of above R & D efforts.

Special Products developed to meet specific requirements of customers.

c) Future Plan of action:

- Development of additional range of products.
- Focus on process improvements to enable the Company to penetrate the export market.

d) Expenditure on R & D.

There is a continuous increase on R & D expenditure as the scope of activities carried out by this department goes on increasing. The exact amount spent has not been apportioned this year.

4) Technology Absorption, Adaptation and Innovation:**a) Efforts in brief, made towards technology absorption, adaptation and innovation.**

- Special models of pumps and valves have been designed to meet specific needs of customers and these have enabled us to extend our customer base to include a wider range of industries.
- Indigenisation is continuous, on going effort.

b) Benefits derived as a result of the above efforts.

- Reduction of material cost.
- Quality improvement
- Ability to innovate and produce new products.

c) Information regarding technology imported during the last five years reckoned from the beginning of the financial year.

YUKEN INDIA LIMITED



C) Information regarding technology imported during the last five years reckoned from the beginning of the financial year.

i) Technology imported
None

ii) Year of Import:
Not applicable.

iii) Has technology been fully absorbed:
Not applicable.

iv) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action:
Not applicable.

AUDITORS

The Auditors M/s. Fraser & Ross, Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

ACKNOWLEDGEMENTS

Your Directors express their sincere thanks to the Company's Foreign Collaborators, Banks, Financial Institutions and Government Bodies for their continued assistance and co-operation. Our employees are an invaluable resource in times of far reaching changes and your Directors wish to acknowledge their contribution with a sense of great pride.

For and on behalf of the Board of Directors,

(R Srinivasan)
Director

(B R Jagan)
Director

C P Rangachar
Managing Director

Place : Bangalore
Date : 28/06/2002

Report  junction.com