

YUKEN INDIA LIMITED

MD	✓		BKC	✓
CS	✓		DPY	70
RO	✓		DIV	70
TRA	✓		AC	70
AGM	✓		SHI	70
YE	✓			70

21ST ANNUAL REPORT

Report www.reportjunction.com 1996-97

YUKEN

YUKEN INDIA LIMITED**YUKEN****Chairman:****MR. S. YUKI****Alternate Chairman:****MR. M. VARADARAJAN****Directors:****MR. TAKASHI NISHIO****MR. Y. TAKAHASHI****MR. Y. KOKUBUN****(Alternate Director for
MR. TAKASHI NISHIO)****MR. R. SRINIVASAN****MR. DIPAK AGARWALLA****MR. S. G. ARAOKAR****MR. B. R. JAGAN****(With effect from 12/05/97)****Managing Director:****MR. C. P. RANGACHAR****Secretary:****MR. V. K. PARTHASARATHY****Registered Office & Factory:****Whitefield Road, Whitefield
Bangalore - 560 066****Head Office:****No. 250, 6th Cross, Indiranagar
1st Stage, Bangalore - 560 038****Sales Offices:****North:****26, Community Centre
Mayapuri, New Delhi - 110064****East:****41-B, Rash Behari Avenue
Calcutta - 700 026****West:****H-4, Ansa Ind. Premises
Co-Operative Society Ltd..
Saki Vihar road, Sakinaka
Mumbai - 400 072****South:****No. 126, 'Hari Nivas' II Floor
4th Main, 11th Cross
Malleswaram
Bangalore - 560 003****Auditors****M/s. FRASER & ROSS
Chartered Accountants
Maarut Complex
25/5, Lavelle Road
Bangalore - 560 001****Bankers****State Bank of India
Overseas Branch
87, Mahatma Gandhi Road -
Bangalore - 560 001
The Bank of Tokyo Mitsubishi Limited
Sir. P. Mehta Road
Mumbai - 400 001**

NOTICE

NOTICE is hereby given that the Twentyfirst Annual General Meeting of the Share Holders of Yuken India Limited, will be held at Sri Krishna Hall, Hotel Woodlands Pvt. Limited, No. 5, Raja Ram Mohan Roy Road, Bangalore - 560 025 on Thursday, the 25th September 1997 at 11.00 AM to transact the following business.

A. ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Balance Sheet as at 31st March 1997 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 declare dividend on equity shares.
3. To appoint Auditors and to fix their remuneration.

RESOLVED that pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act 1956, M/s. Fraser & Ross, Chartered Accountants, the retiring Auditors of the Company, be and are hereby re-appointed to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on an yearly remuneration of Rs.50,000/- (Rupees Fifty Thousand Only) plus their out of pocket expenses and such other fees which may be paid to them for certification and taxation matters.

B. SPECIAL BUSINESS

To consider and if thought fit, to pass, with (or) without modifications, the following resolutions as ORDINARY RESOLUTIONS.

4. RESOLVED that due notice in writing having been received from a member under Section 257 of the Companies Act 1956 of her intention to propose Mr. Masao Egi, Mr. Masao Egi be and is hereby appointed a Director of the Company retiring by rotation.
5. RESOLVED that due notice in writing having been received from a member under Section 257 of the Companies Act 1956 of his intention to propose Mr. Ashvin Varadarajan, Mr. Ashvin Varadarajan be and is hereby appointed a Director of the Company retiring by rotation.

6. RESOLVED that due notice in writing having been received from a member under Section 257 of the Companies Act 1956 of his intention to propose Mr. M. Narayan , Mr. M. Narayan be and is hereby appointed a Director of the Company retiring by rotation.
7. To Consider and if thought fit to pass with (or) without modifications the following Resolution as a SPECIAL RESOLUTION:

RESOLVED that pursuant to the provisions of Section 314 and other applicable provisions of the Companies Act 1956, Mr. Y. Kokubun, who was appointed as Alternate Director for Mr. T. Nishio by the Board on 29th June 1995 be and is hereby appointed as a Director of the Company retiring by rotation and the payment of remuneration to him for the services rendered as Resident Engineer are as per the stipulations enumerated u/s 314 of the Companies Act 1956.

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 18/09/97 to 25/09/97 (both days inclusive).
5. Any dividend sanctioned at the meeting will be paid only to those members whose names appear in the Register of Members as on 18/09/97.
6. Shareholders seeking any information with regard to accounts are requested to write to the Company atleast 15 days in advance from the date fixed for the Annual General Meeting to enable the Management to keep the information ready.
7. Members are requested to intimate to the Company changes, if any, in their registered addresses at an early date.

REGISTERED OFFICE :
Whitefield Road
Whitefield
Bangalore 560 066

Place : Bangalore
Date : 27/06/1997

By order of the Board
C P RANGACHAR
MANAGING DIRECTOR

**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. 4, 5 & 6

The Company has received separate Notices u/s 257 (1) of the Companies Act 1956 in writing from members proposing the candidature of Mr. Masao Egi, Mr. Ashvin Varadarajan and Mr. M. Narayan for the office of Director liable to retire by rotation alongwith requisite deposit of Rs.500/-. Mr. Ashvin Varadarajan and Mr. M. Narayan are young Industrialists. Mr. Masao Egi is the Executive Managing Director of Yuken Kogyo Co. Ltd., Japan. Their inclusion as Directors on the Board is highly beneficial in the best interest of the Company. Mr. Masao Egi is the Collaborator's representative on the Board.

None of the Directors are either directly or indirectly interested or concerned in the above Resolutions except Mr. M. Varadarajan who is related to Mr. Ashvin Varadarajan.

ITEM NO.7

The Company has received separate Notice u/s 257 (1) of the Companies Act 1956 in writing from a member proposing the candidature of Mr. Yukihiro Kokubun for the office of Director liable to retire by rotation alongwith requisite deposit of Rs.500/-. Mr. Yukihiro Kokubun was appointed as Alternate Director for Mr. T. Nishio at the meeting of the Board of Directors held on 29-06-1995. As per Section 314 of the Companies Act 1956, a Director who is appointed as a Technical Adviser for rendering Technical Services, would be deemed to be holding Office of Profit.

Hence the approval of the shareholders are required by means of a SPECIAL RESOLUTION

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the 21st Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 1997.

FINANCIAL RESULTS

	Rs. in lacs	
	96-97	95-96
INCOME	2885.42	2578.11
Profit before Taxation	132.95	281.92
Surplus brought forward from previous year	40.26	25.84
	173.21	307.76
LESS		
Provision for Taxation	74.00	90.00
Balance available for appropriation	99.21	217.76
Your Directors recommend the following appropriation		
i. Transfer to General Reserves	5.00	95.00
ii. Transfer to Debenture Redemption Reserves	37.50	37.50
iii. Dividend at 15% (15%)	45.00	45.00
vi. Tax on Dividend	4.50	-----
v. Surplus carried to Balance Sheet	7.21	40.26
	99.21	217.76

YEAR IN RETROSPECT

During the year under review, the Company has achieved a turnover of Rs. 2885 lacs representing a growth of 12% over the previous year. The operations for the year have resulted in a Gross Profit of Rs. 434 lacs before interest and depreciation. Consistent efforts are being made by the Company to improve the performance.

YUKEN INDIA LIMITED**YUKEN****DIVIDEND**

Created 5/20/2017

Your Directors are pleased to recommend a dividend of 15% on the equity shares of the Company for the year ended 31st March, 1997 and the same will be payable, if approved by the members at the ensuing Annual General Meeting.

POWER PROJECT

Members are aware that the Company has started the implementation of the Attihalla Project situated at Mandya District. Civil work is in near completion. The final commissioning is expected to be completed by September 1997.

DIRECTORS

During the year Mr. B. R. Jagan was appointed as Indian Renewable Energy Development Agency's Nominee Director. The Board welcomes him into its fold.

Under Section 256(1) of the Companies Act 1956, and Article 116 of the Articles of the Company, Mr. Y. Takahashi and Mr. M. Varadarajan are liable to retire by rotation at this Annual General Meeting and are eligible offers themselves for reappointment. However, both Mr. Y. Takahashi and Mr. M. Varadarajan has expressed their desire not to seek reappointment.

The Board of Directors place on record its deep appreciation of the valuable services rendered by Mr. M. Varadarajan as Promoter Director and Mr. Y. Takahashi as Collaborator Director.

EXPLANATION TO AUDITORS REPORT TO THE MEMBERS**Sl. No.2(d)**

The Auditors have referred to the non-provision of Tax Demands in their Report to the Members. As the Directors expect that the demand will be withdrawn in the appeal filed before the Tribunal, no provision is considered necessary. This is in line with the opinion of the experts.

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:**

Sl. No.	Name	Designation	Gross remuneration Rs.	Qualification	Age	Date of commencement of employment	Experience (including previous years if any)	Last employment held/ designation/ organisation
1.	C. P. Rangachar	MD	11,62,743 *	BE., MIE	55	1978.05.01	32	Director-Polyene General Industries (P) Ltd., Madras
2.	Yukihiro Kokubun	Resident Director	14,80,732	Graduate Engineer	57	1995.06.02	33	Engineer-Yuken Kogyo Co. Ltd., Japan.

* Includes balance of salary and perquisites Rs. 4,52,943 consequent to the enhancement of remuneration effective from 1st April 1995, as per the resolution of the Annual General Meeting dated 28th August 1996.

Note:

Employment throughout the year under review and were in receipt of remuneration for that year in the aggregate of not less than Rs. 3,00,000/-

**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:**

1. Conservation of Energy:

The manufacturing activities of the Company do not consume substantial power/energy. Hence no specific steps have been taken to conserve energy.

2. Foreign Exchange Earnings and outgo :

Foreign Exchange Earnings :-

	Rs.
i) Service rendered	Nil
ii) Export sales	Nil

Foreign Exchange outgo :-

	Rs.
i) Import of Raw materials & components	4,13,71,403
ii) Capital Goods	Nil
iii) Travel	12,85,445
iv) Dividend (net)	15,50,640
v) Technical Fee (net)	Nil
vi) Royalty	6,44,040
vii) Services Rendered	3,92,160

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

- improvement of manufacturing methods and processes.
- Designing new products for the Indian Hydraulics Market.
- Upgrading / modifying our product range to meet specific user performance requirements.
- Modifying our products to suit Indian conditions.
- Improving our product specification based on user feed back from the field.
- Developing indigenous technology to enable import substitution.

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

The major improvement has been in the quality and performance of our products. Special products developed for customers have resulted in regular orders for these items.

c) Future Plan of Action.

We are planning to focus on exports, new products are under development for special applications.

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.
 - i) The indigenisation effort itself speaks of our efforts towards technology absorption, adaptation and innovation. These efforts have enabled us to be successful in our ongoing indigenisation programme.
 - ii) Training of our R & D personnel is an ongoing effort, including sending Engineers to Japan for Technical Training.
 - iii) Adaptation and innovation in the area of designing special models of pumps and valves to meet specific user-industry requirements has enabled us to corner niche markets in such applications.

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

- Substitution of imported raw-materials/components with lower cost local ones.
- Enhanced customer satisfaction due to better product quality.
- Extension of market due to development of new products.
- Improved quality and reliable supply from our suppliers due to our efforts to improve processes and to help them in installing and using advanced technology like CNC and special purpose machines.

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

i) Technology imported:

For manufacture of new series of pumps, valves with energy saving devices and low noise levels.

ii) Year of Import : 1992.

iii) Has technology been fully absorbed:

Technology has been absorbed, suitable modifications have been made to suit Indian conditions.

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

Not applicable