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7th Annual Report 1997-98

Control Print (India) Limited

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PRODUCT RANGE

CODING & MARKING DIVISION:

CPIL represents a number of international companies in India to provide an exhaustive range of machines to suit every conceivable coding & marking need for Indian companies. CPIL provides comprehensive solutions - machines, consumables, spares, training and after sales service. The product range caters to a wide variety of industries - Food & Beverages, Consumer Products, Cable and Wire, Plastic, Steel, Chemicals, Electrical, Dairy, Automotive, Exporters.....

CPIL's principals, world leaders in their respective areas of specialisation, have been chosen with care, taking into consideration the requirements of Indian consumers.

The list includes :

1. MARKEM CORPORATION, USA :
   High Speed Touch Dry Contact Coders, Semi Conductor Marking Systems

2. VIDEOJET SYSTEMS INTERNATIONAL INC., USA :
   Small Character Continuous Ink Jet Printers

3. MARSH COMPANY, USA :
   Large Character Ink Jet Printers

4. NORWOOD MARKING SYSTEMS, USA :
   Industrial Hot Stamp Printers

5. Wet Ink Contact Coders manufactured in-house

6. CODING PRODUCTS INC., USA :
   Hot Stamp and Thermal Transfer Ribbons

7. OSTLING MARKING SYSTEMS AB, SWEDEN :
   Metal Marking Systems

8. MEDEK & SCHORNER GmbH, AUSTRIA :
   Specialised Coding & Marking Systems for Cable and Pipe Industry

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Control Print (India) Limited

BOARD OF DIRECTORS

Dr. S. P. Adarkar	*Chairman*
Mr. Parimal K. Shroff	*Director*
Mr. Rakesh S. Agrawal	*Director*
Mr. Basant S. Kabra	*Managing Director*
Mr. Anirudha B. Joshi	*Wholetime Director*

AUDITORS

M/s. Dosi & Jain
Chartered Accountants
Mumbai - 400 020.

BANKERS

The Benares State Bank Ltd.
Kalbadevi Road,
Mumbai - 400 002.

LEGAL ADVISORS

M/s. Parimal K. Shroff & Co.
Advocates & Solicitors
Mumbai - 400 023.

REGISTERED OFFICE

C-106, Hind Saurashtra Industrial Estate,
Andheri-Kurla Road, Marol Naka,
Mumbai - 400 059.

WORKS

3-4-5, Highway Industrial Estate,
Off Western Express Highway,
Village Sativali, Vasai Taluka,
Thane District - 401 202.
(Maharashtra)

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NOTICE

Notice is hereby given that the **Seventh Annual General Meeting** of the Members of **CONTROL PRINT (INDIA) LIMITED** will be held on Wednesday, the 30th December 1998, at Kumaria Presidency Hotel, Near Mumbai International Airport, Andheri-Kurla Road, Mumbai - 400 059 at 4:00 p.m. to transact the following business :

I. ORDINARY BUSINESS :

1. *To receive, consider and adopt the Audited Accounts of the Company for the year ended 30th June, 1998, and the Balance Sheet as of that date, together with the Reports of the Board of Directors and Auditors thereon.*

2. *To appoint a Director in the place of Mr. Basant S. Kabra who retires by rotation and being eligible offers himself for reappointment.*

3. *To appoint a Director in the place of Mr.Anirudha B. Joshi who retires by rotation and being eligible, offers himself for reappointment.*

4. *To appoint Auditors for the Company to hold office from the close of this Annual General Meeting and to fix their remuneration.*

II. SPECIAL BUSINESS :

5. *To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as a "Special Resolution" :*

"**RESOLVED THAT** in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutoty modification(s) or re-enactment thereof) and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as 'the Board' which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer and issue, allocate or allot in one or more tranches, to persons in the sole discretion of the Board who are in the permanent employment of the Company and to the Managing/Wholetime Directors of the Company, such number of Equity Shares of the Company of the face value of Rs.10/- each not exceeding such percentage of the Capital of the Company as may be permitted by the law as the Board may deem fit, for subscription for cash or allocated as an option to subscribe, on such other terms and conditions and at such price as may be fixed and determined by the Board prior to the issue and offer thereof in accordance with the applicable guidelines and provisions of law and otherwise ranking pari passu with the Equity Shares of the Company as then issued and in existence and on such other terms and conditions and at such time or times as the Board may in its absolute discretion and in the best interest of the Company deem fit; provided that the aforesaid issue of Equity Shares may instead be in the form of equity warrants or other securities as may be permitted in law, from time to time; provided also that the Board may in this behalf make or formulate a scheme for the provision of moneys by the Company for the purchase or subscription of the shares as above in such manner as may be permitted under law.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue, allocate and allot such number of Equity Shares as may be required in pursuance of the above issue, and that the Equity Shares so issued, allocated or allotted shall rank in all respects pari-passu with the existing Equity Shares of the Company save and

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except that such Equity Shares which may be with or without voting rights, if permitted by the law shall carry the right to receive either the full dividend or pro rata dividend from the date of allotment, as may be decided by the Board, declared for the financial year in which the allotment of the shares shall become effective.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to determine and frame the scheme and terms of the issue, the issue price and all terms and matters connected therewith and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues and to settle any questions or difficulties that may arise in regard to the issue."

6. *To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as a "Special Resolution":*

"**RESOLVED THAT** subject to the guidelines and circulars as issued by the Securities and Exchange Board of India (SEBI) and Listing Agreement of stock exchanges as revised in this regard, the consent of the Company be and is hereby granted for delisting of securities i.e. Equity Shares of the Company from The Stock Exchange, Ahmedabad."

7. *To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as a "Special Resolution":*

"**RESOLVED THAT** subject to the guidelines and circulars as issued by the Securities and Exchange Board of India (SEBI) and Listing Agreement of stock exchanges as revised in this regard, the consent of the Company be and is hereby granted for delisting of securities i.e. Equity Shares of the Company from The Calcutta Stock Exchange Association Limited."

8. *To consider and, if thought fit, to pass the following Resolution, with or without modification(s), as a "Special Resolution":*

"**RESOLVED THAT** approval of shareholders of the Company is hereby granted under section 314 of the Companies Act, 1956, to promotion of Ms. Ritu Kabra, a relative of Mr. Basant Kabra, Managing Director of the Company, as "Product Manager" in the management cadre of the Company on a basic salary of Rs. 5,000/- per month in the scale of Rs.5000-500-7000-600-9400-700-11500/- together with the usual allowances and benefits applicable to employees occupying similar posts in the said management cadre including HRA, CCA, Education Allowance, Conveyance, Ex-gratia, Retiring Gratuity, Provident Fund and other benefits and the Board of Directors (Board) be and is hereby authorised to grant from time to time to Ms. Ritu Kabra such increment or increments as the Board may in its discretion think fit."

By Order of the Board

Basant Kabra
Managing Director

Place : **Mumbai**
Date : **23rd November, 1998**

Registered Office :
C-106, Hind Saurashtra Industrial Estate, Andheri-Kurla Road,
Marol Naka, Mumbai - 400 059.

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NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD AND THE PROXY NEED NOT BE A MEMBER. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
2. Proxy Form duly completed and stamped must be received by the Company at its Registered Office at least 48 (Forty-eight) hours before the time appointed for the Meeting.
3. **The Register of Members and Share Transfer Books of the Company will remain closed from 23rd December 1998 to 26th December 1998 (both days inclusive).**
4. Members are requested to forward their queries, if any, in writing at least 10 days before the Meeting.
5. Members / Proxies are requested to produce at the entrance, the Attendance Slip attached herewith duly filled in, for attending the Meeting.
6. Members are requested to promptly notify change of address, if any, to the Company at the Registered Office, quoting their Regd. Folio Number.
7. Members are requested to bring in their copy of the Annual Report to the Meeting.
8. The relative Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, in respect of the business under Item No. 5 to Item No. 8 of the Notice is annexed hereto.
9. Shareholders may please note that no gifts are proposed to be distributed at the Meeting.
10. If any member has shares registered in the same name or in the same order of names but in several folios, the same may be notified to the Company at its Registered Office to enable us consolidate the multiple folios into one.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5

EMPLOYEES STOCK OPTION SCHEME / SWEAT EQUITY

In the present competitive environment in the country and in the long term interest of the Company and its shareholders, it is necessary that the Company adopts measures for attracting and retaining qualified, talented and competent personnel. Stock Option Schemes, designated to foster a sense of ownership and belonging amongst personnel, are a well-accepted approach to this end. It is, therefore, appropriate to consider introducing a Stock Option Scheme for such persons in the sole discretion of the Board, who are in the permanent employment of the Company and for its Managing / Wholetime Directors. The shares may be allotted directly to employees or allocated in accordance with a Stock Option Scheme framed in that behalf, in accordance with the provisions of the prevailing law and will not exceed an issue/allocation of shares/options representing such percentage of the capital of the Company as may be permitted by the law. The scheme may also envisage provision of moneys by the Company to enable such employees to acquire, purchase or subscribe for the shares of the Company.

Section 81 of the Companies Act, 1956, provides, inter alia, that whenever it is proposed to increase the Subscribed Capital of a Company by the allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in the said section unless the shareholders in General Meeting decide otherwise. The consent of the shareholders is, therefore, sought to authorise the Board of Directors to issue the shares in the manner set out in the Resolution at Item No. 5.

The Board commends the Resolution for acceptance.

Mr. Basant S. Kabra, Managing Director and Mr. Anirudha B. Joshi, Wholetime Director may be deemed to be concerned or interested in the Resolution at Item No. 5 to the extent of the shares/securities which may be offered, issued, and allocated to them.

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ITEM NOS. 6

DELISTING OF SHARES OF THE COMPANY FROM THE AHMEDABAD STOCK EXCHANGE

The Company proposes to delist its securities i.e. Equity Shares of the Company from the Ahmedabad Stock Exchange as per the guidelines and subject to fulfilment of conditions of circular No. SMDRP/CIR-14/98 dated 29th April, 1998 of Securities and Exchange Board of India (SEBI). The delisting of securities is proposed because the shares of the Company have negligible trading on this stock exchange and so shareholders in the region where this stock exchange is located are not enjoying any benefit of listing on this exchange. However, the Company shall continue to list its securities at The Stock Exchange, Mumbai. With on-line trading in securities offered by BSE at other cities also, there shall not be any difficulty to members in this region.

The Board recommend the special resolution No. 6 for approval of the shareholders.

None of the Directors of the Company is any way concerned or interested in this Resolution.

ITEM NO. 7

DELISTING OF SHARES OF THE COMPANY FROM THE CALCUTTA STOCK EXCHANGE

The Company proposes to delist the Equity Shares of the Company from the Calcutta Stock Exchange as per the guidelines and subject to fulfilment of conditions of circular No. SMDRP/CIR-14/98 dated 29th April, 1998 of Securities and Exchange Board of India (SEBI). The delisting of securities is proposed because the shares of the Company have negligible trading on this stock exchange and so shareholders in this region are not enjoying any benefit of listing on this exchange. However, Company shall continue to list its securities at The Stock Exchange, Mumbai. With on-line trading in securities offered by BSE at other cities also, there shall not be any difficulty to members in this region.

The Board recommend the special resolution No. 7 for approval of the shareholders.

None of the Directors of the Company is any way concerned or interested in this Resolution.

ITEM NO. 8

PROMOTION / APPOINTMENT OF MS. RITU KABRA, RELATIVE OF DIRECTOR U/S 314 OF THE COMPANIES ACT, 1956

Ms. Ritu Kabra, relative of our Managing Director has been working with the Company since January, 1996. Her work is very satisfactory and the Company's principals, M/s. Markem Corporation have also appreciated her contribution in promoting and establishing their products in the Indian market. The Board has promoted her to management cadre and designated as Product Manager.

The proposed enhanced remuneration and other benefits are within the limits of Section 314 of the Companies Act, 1956.

Mr. Basant Kabra is concerned or interested in the Resolution concerning the above promotion / appointment. Save as aforesaid no other Director of your Company is concerned or interested in the Resolution.

By Order of the Board

Place : **Mumbai**
Date : **23rd November, 1998**

(Basant Kabra)
Managing Director

Registered Office :
C-106, Hind Saurashtra Industrial Estate, Andheri-Kurla Road,
Marol Naka, Mumbai - 400 059.

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DIRECTORS' REPORT

To,

The Members

Your Directors have pleasure in presenting their SEVENTH ANNUAL REPORT on the Business and Operations of the Company together with the Audited Annual Statement of Accounts for the year ended 30th June, 1998.

1. FINANCIAL RESULTS :

The salient features of the Company's financial results for the year under review are as follows :

		(Rs.in Lacs)
	1997-98	*1996-97*
Sales & Service Income	1504.62	1368.06
Other Income	22.32	26.61
Total Income	1526.94	1394.67
Profit before Depreciation & Tax	89.99	93.10
Less : Depreciation	(23.92)	(22.16)
Net Profit before Taxation	66.07	70.94
Less : Provision for Taxation	(8.00)	(8.20)
Net Profit during the year	58.07	62.74
Earlier year's adjustment	3.25	(1.65)
Balance brought forward	237.64	226.55
Profit available for appropriation	298.96	287.64
Transferred to General Reserve	(50.00)	(50.00)
Balance carried over to Balance Sheet	248.96	237.64

2. DIVIDEND :

In view of the on going expansion and proposed Joint Venture, the Company needs to conserve resources and therefore, your Directors consider it prudent not to recommend payment of dividend for the year.

3. REVIEW OF OPERATIONS :

The Company has achieved considerable progress in all growth areas such as product range, marketing and servicing network, etc.

Your Company is committed to achieve a leadership position in its business through utilisation of the best and most appropriate technologies, applying the finest manufacturing disciplines and most efficiently marketing high quality products and services to consistently give its customers the best value for their money.

4. JOINT VENTURE WITH MARKEM CORPORATION, USA :

You are aware that your Company is planning to enter into Joint Venture with Markem Corporation, USA, to manufacture and market its products in India. Markem Corporation is a renowned Coding and Marking Company having worldwide operations and are undisputed world leader in Hot Ink Roll Technology for Coding equipments.

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Negotiations with the foreign partners, Markem Corporation, USA for financial and technical participation are still in progress and a final decision in this respect is likely to be taken shortly. The nature of participation by potential partners will be known only after a Memorandum of Understanding is finalised.

5. PROSPECTS :

With the already existing vast servicing and marketing organisation covering fairly large area of the country, the Company hopes to make further penetration and create larger awareness of its product range, contributing to a substantial increase in turnover and profitability.

6. FINANCES :

The Company had maintained a comfortable financial position throughout the year under review.

7. FORFEITURE OF SHARES :

During the year, the Board of Directors decided to forfeit 4,71,650 partly-paid shares of the defaulting shareholders on account of non-payment of call money due, after observing necessary formalities. These shares are eligible to be reissued as provided in the Articles of the Company.

8. FIXED / PUBLIC DEPOSITS :

Your Company has neither invited nor accepted deposits from public during the year under review.

9. PARTICULARS OF TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information under section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is set out in Annexure - A forming part of this report.

10. PARTICULARS OF EMPLOYEES :

As required by the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the information required in respect of employees of the Company is set out in the Annexure to this Report.

11. DIRECTORS :

In terms of the provisions of the Companies Act, 1956, and Articles of Association, Mr.Basant S. Kabra and Mr. Anirudha B. Joshi retire by rotation and being eligible offers themselves for reappointment. Your Directors recommend the appointment of the retiring directors.

12. AUDITORS' REPORT :

Notes to the account as referred in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments or explanations.

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13. AUDITORS :

M/s. Dosi & Jain, Chartered Accountants, your Company's Auditors, retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. Your Directors recommend the appointment of the retiring Auditors.

14. TRANSFER/REGISTRATION OF SHARES

Your Directors have decided to have in-house share department. As such all share related activities such as transfer, endorsement, registration, etc. are now carried on in house. Hence, all share certificates for registration, change of address, queries, etc. should be addressed directly to the Company.

15. STAFF RELATIONS :

Relations with the staff members continued to be cordial and satisfactory during the year under consideration.

16. ACKNOWLEDGMENTS

Your Directors sincerely acknowledge the co-operation and assistance received from the IDBI and The Benares State Bank Ltd. and all other authorities during the year under review.

Your Directors express their gratitude to the customers and promise to deliver quality products and services in the years to come.

Your Directors thank the shareholders for their confidence and understanding.

In conclusion, your Directors would like to record their deep appreciation of the dedicated support, hardwork and services rendered thorughout the year by Company personnel at all levels.

For and on behalf of the Board of Directors

Place : **Mumbai**
Date : **23rd November, 1998**

DR. S. P. ADARKAR
Chairman

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