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6th Annual Report 1 9 9 6 - 9 7



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Control Print (India) Limited



Control Print (India) Limited

PRODUCT RANGE

Control Print (India) Limited is the leading Coding & Marking company in India, having the largest product range to suit every coding requirement. No other company offers as many ways to code products and packages. In order to ensure that we recommend the correct solution to suit the exact requirement, we have tie-ups with world leaders in their respective fields of specialisation.

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. CONTROL PRINT INC., USA :
Wet Ink Contact Coders manufactured in-house under technical collaboration, DOD Ink Jet Printers
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.
9. DATAMAX CORPORATION, USA :
Desk-Top Thermal Transfer Printers for Label Printing & Bar Coding.
10. ATLANTIC ZEISSER GmbH, GERMANY :
Lottery Ticket & Security Printing Systems.

Control Print (India) Limited

BOARD OF DIRECTORS

Dr. S. P. Adarkar	<i>Chairman</i>
Mr. Parimal K. Shroff	<i>Director</i>
Mr. Basant S. Kabra	<i>Managing Director</i>
Mr. Anirudha B. Joshi	<i>Wholetime Director</i>
Mr. Rakesh S. Agrawal	<i>Additional Director</i>

AUDITORS

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

The Benares State Bank Ltd.

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.

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WORKS

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

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REGISTRARS

M/s. Karvy Consultants Ltd.
7, Andheri Industrial Estate,
Off Veera Desai Road,
Andheri (West),
Mumbai - 400 053.



Control Print (India) Limited

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the Members of CONTROL PRINT (INDIA) LIMITED will be held on Tuesday, 30th December, 1997, at Kumaria Presidency Hotel, Facing Mumbai International Airport, Andheri-Kurla Road, Mumbai - 400 059 at 3:30 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, 1997, 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. Parimal K. Shroff who retires by rotation and being eligible, offers himself for reappointment.*
3. *To appoint an Auditor or Auditors for the Company to hold office from the close of this Annual General Meeting and to fix his/their remuneration.*

II. 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. Rakesh S. Agrawal who was co-opted as an Additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT consent /approval be and is hereby accorded under Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions of the Companies Act, 1956, for re-appointment of Mr. Basant S. Kabra as Managing Director for a period of five years from 1st January, 1998 on the following remuneration, perquisites and other terms and conditions :

1. Salary

Rs.50,000/- (Rupees Fifty Thousand only) per month.

2. Commission

The Board of Directors shall decide the commission which shall be computed on the basis of the net profit of the Company not exceeding 5% thereof, as reduced by the aggregate remuneration by way of salary and perquisites (exclusive of perquisites not included in the computation of ceiling on remuneration in Paragraph 2 of Section II of Part II of Schedule XIII).

3. Perquisites

A. The Managing Director shall be eligible to the following perquisites, which are not to be included in the computation of the ceiling on remuneration specified in Paragraph 2 of Section II of Part II of Schedule XIII to the Companies Act, 1956 :

- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

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- iii) Encashment of leave at the end of tenure.
- iv) Car with driver for use on Company's business and Telephone at residence. Personal long distance calls and use of car for private purpose shall be billed by the Company.

15) Housing I

The expenditure by the Company on hiring furnished accommodation for the Managing Director will be subject to the following ceiling :

Sixty percent of the salary, over and above ten percent payable by the Managing Director.

Housing II

In case the accommodation is owned by the Company, ten percent of the salary of the Managing Director shall be deducted by the Company.

Housing III

In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceilings laid down in Housing I.

The expenditure incurred on gas, electricity, water and furnishings shall be valued as per the Income Tax Act, 1961. This shall, however, be subject to a ceiling of 10% of the salary of the Managing Director.

Medical Reimbursement

Medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

Leave Travel Concession

For self and family once a year incurred in accordance with the rules of the Company.

Club Fees

Fees of clubs, subject to a maximum of two clubs, excluding admission and life membership fees.

Personal Accident Insurance

Premium not to exceed Rs.4000/- per annum.

Other Terms and Conditions

- i. The salary, commission and perquisites shall be subject to the overall ceiling under Sections 198 and 309 of the Companies Act, 1956.
- ii. In the event of absence or inadequacy of profits in any financial year during the tenure of the Managing Director, he shall be paid the same salary as specified above, subject to the overall package of remuneration (exclusive of perquisites not reckoned for the purpose of ceiling in Section 2 of Part II of Schedule XIII to the Companies Act, 1956) being within the limits prescribed in Section 2 of Part II aforesaid and/or any statutory modifications or substitutions thereof.

6. To consider and, if thought fit, to pass the following Resolution, with or without modification, as an "Ordinary Resolution" :

"RESOLVED THAT consent /approval be and is hereby accorded under Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions of the Companies Act, 1956, for re-appointment of Mr. Anirudha



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B. Joshi as Wholetime Director for a period of five years from 1st January, 1998 on the following remuneration, perquisites and other terms and conditions :

1. Salary

Rs.30,000/- (Rupees Thirty Thousand only) per month.

2. Commission

The Board of Directors shall decide the commission which shall be computed on the basis of the net profit of the Company not exceeding 5% thereof, as reduced by the aggregate remuneration by way of salary and perquisites (exclusive of perquisites not included in the computation of ceiling on remuneration in Paragraph 2 of Section II of Part II of Schedule XIII).

3. Perquisites

A) The Wholetime Director shall be eligible to the following perquisites, which are not to be included in the computation of the ceiling on remuneration specified in Paragraph 2 of Section II of Part II of Schedule XIII to the Companies Act, 1956 :

- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- iii) Encashment of leave at the end of tenure.
- iv) Car with driver for use on Company's business and Telephone at residence. Personal long distance calls and use of car for private purpose shall be billed by the Company.

B) *Housing I*

The expenditure by the Company on hiring furnished accommodation for the Wholetime Director will be subject to the following ceiling:

Sixty percent of the salary, over and above ten percent payable by the Wholetime Director.

Housing II

In case the accommodation is owned by the Company, ten percent of the salary of the Wholetime Director shall be deducted by the Company.

Housing III

In case no accommodation is provided by the Company, the Wholetime Director shall be entitled to house rent allowance subject to the ceilings laid down in Housing I.

The expenditure incurred on gas, electricity, water and furnishings shall be valued as per the Income Tax Act, 1961. This shall, however, be subject to a ceiling of 10% of the salary of Wholetime Director.

Medical Reimbursement

Medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

Leave Travel Concession

For self and family once a year incurred in accordance with the rules of the Company.

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Club Fees

Fees of clubs, subject to a maximum of two clubs, excluding admission and life membership fees.

Personal Accident Insurance

Premium not to exceed Rs.4000/- per annum.

Other Terms and Conditions

- i. The salary, commission and perquisites shall be subject to the overall ceiling under Sections 198 and 309 of the Companies Act, 1956.
- ii. In the event of absence or inadequacy of profits in any financial year during the tenure of the Wholetime Director, he shall be paid the same salary as specified above, subject to the overall package of remuneration (exclusive of perquisites not reckoned for the purpose of ceiling in Section 2 of Part II of Schedule XIII to the Companies Act, 1956) being within the limits prescribed in Section 2 of Part II aforesaid and/or any statutory modifications or substitutions thereof.

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), the Articles of Association of the Company be and is hereby altered so as to add the following new clauses as Article 4(b) and 4(c) to the existing Articles of Association of the Company :

ISSUE OF NON-VOTING SHARES

4(b) Subject to the provisions of the Act and all other applicable provisions of law, the Company may issue Non-voting Shares, either equity or of any other kind, without voting rights and the resolution authorising such issue shall prescribe the terms and conditions of the Issue.

No member holding Non-voting Shares shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name as Non-voting Shares.

BUY BACK OF SHARES

4(c) Subject to the provisions of the law, as may be in force at any time and from time to time, the Company may acquire, purchase, hold, resell any of its own fully/partially paid-up Equity/Preference/ Redeemable Shares and may make payment out of the funds at its disposal for and in respect of such acquisition/purchase on such terms and conditions and at such times as the Board may in its discretion decide and deem fit."

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

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded to the Board to acquire/purchase any of its own fully paid shares with liberty to reissue/cancel, on such terms and conditions and upto such limits as may be prescribed by law from time to time; provided that acquisition/purchase of such fully paid Equity Shares of the Company be not construed as reduction of Equity Share Capital which is subject to the control as stipulated in Section 402 of the Companies Act, 1956, for the time being in force and that the Board of Directors of the Company be and are hereby authorised to do all such acts and things as may be necessary or proper to implement this resolution."



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9. To consider and, if thought fit, to pass the following Resolution, with or without modification, as a "Special Resolution":

"RESOLVED THAT pursuant to the provisions of Section 372 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government and any other approvals, if required, the Company hereby sanctions the investment by the Board of Directors of a sum not exceeding Rs.3,00,00,000/- (Rupees Three Crores only) for the purchase of Equity Shares in the capital of the proposed Joint Venture Company to be promoted and incorporated in India in equity participation with Markem Corporation, U.S.A., notwithstanding that such investment or such investment together with the Company's existing investments in all other bodies corporate, shall be in excess of any or all the percentages prescribed by the Central Government under sub-section (2) of Section 372 of the Act and provisos thereto, and that the Board of Directors of the Company be and is hereby authorised to determine the actual sum not exceeding Rs.3,00,00,000/- (Rupees Three Crores only) to be so invested and to settle all questions and matters arising out of and incidental to the proposed investment."

10. To consider and if thought fit, to pass, with or without modification the following resolution as an "Ordinary Resolution":

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors (Board) of the Company in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the creation by the Board of such mortgages, charges and hypothecations (in addition to the existing mortgages, charges and hypothecations) created by the Company in such form and manner as the Board may direct on such of the Company's movable and immovable properties, both present and future, and in such manner as the Board may direct together with the power to take over the management and concern of the Company in certain events in favour of Industrial Development Bank of India (IDBI) to secure the Rupee Term Loan(s) and/or Corporate Loan(s) and/or Financial Assistance in any form, not exceeding Rs.1000 lacs (Rupees Ten Crores only) which may be granted by IDBI and agreed to be lent and advanced by IDBI to the Company from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise the terms and conditions of the above mentioned loan(s) and documents for creating the aforesaid mortgages, charges and hypothecations, and to do all such acts and things and execute such documents or writings as may be necessary for giving effect to the above resolution."

By Order of the Board

BASANT KABRA
Managing Director

Place : Mumbai
Date : 25th November, 1997

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

Control Print (India) Limited

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 atleast 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 1997 to 26th December 1997 (both days inclusive).
4. Members are requested to forward their queries, if any, in writing atleast 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. 4 to Item No. 10 of the Notice is annexed hereto.
9. Shareholders may please note that no gifts are proposed to be distributed at the Meeting.

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

ITEM NO. 4

APPOINTMENT OF MR. R. S. AGRAWAL AS DIRECTOR OF THE COMPANY :

Mr. Rakesh S. Agrawal was co-opted as an Additional Director of the Company on 26th March, 1997, by the Board of Directors of the Company pursuant to Article 85A of the Articles of Association of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only upto the date of the ensuing Annual General Meeting. As required by Section 257 of the Act, the notice together with the requisite deposit has been received from a member signifying his intention to propose his appointment as a Director of the Company liable to retire by rotation.

Mr. R. S. Agrawal is the Managing Director of M/s. Bayer ABS Limited and other companies. The Board considers it desirable that the Company should continue to avail itself of his services as it is in the interests of the Company and therefore recommend this Resolution for approval.

None of the Directors of the Company except Mr. Rakesh S. Agrawal is concerned or interested in the resolution.

ITEM NO. 5

RENEWAL OF AGREEMENT OF MANAGING DIRECTOR AND TERMS THEREOF :

Mr. Basant S. Kabra was appointed as the Managing Director of the Company for a period of five years with effect from 1st January, 1993.

The Board of Directors at their Meeting held on 25th November, 1997, have renewed the said Agreement and re-appointed Mr. B. S. Kabra as Managing Director with effect from 1st January, 1998, for a further period of five years subject to approval of the shareholders at the ensuing Annual General Meeting on the revised remuneration and perquisites and other terms and conditions.

The proposed re-appointment, remuneration and perquisites are within the limits prescribed in Schedule XIII of the Companies Act, 1956, and require the approval of shareholders as per the provisions of the Companies Act, 1956. Accordingly, the resolution set out in Item No.5 is recommended by the Board of Directors for approval of this General Meeting.

Mr. Basant S. Kabra is concerned or interested in the Resolution concerning his appointment. Save as aforesaid, no other Director of your Company is concerned or interested in the Resolution.

This may also be treated as Memorandum issued pursuant to Section 302 of the Companies Act, 1956.

ITEM NO. 6

RENEWAL OF AGREEMENT OF WHOLETIME DIRECTOR AND TERMS THEREOF :

Mr. Anirudha B. Joshi was appointed as Wholetime Director of the Company for a period of five years with effect from 1st January, 1993.

The Board of Directors at their Meeting held on 25th November, 1997, have renewed the said Agreement and re-appointed Mr. Anirudha B. Joshi as Wholetime Director with effect from 1st January, 1998, for a further period of five years subject to approval of the shareholders at the ensuing Annual General Meeting on the revised remuneration and perquisites and other terms and conditions.

The proposed re-appointment, remuneration and perquisites are within the limits prescribed in Schedule XIII of the Companies Act, 1956, and require the approval of shareholders as per the provisions of the Companies Act, 1956. Accordingly, the resolution set out in Item No.6 is recommended by the Board of Directors for approval of this General Meeting.