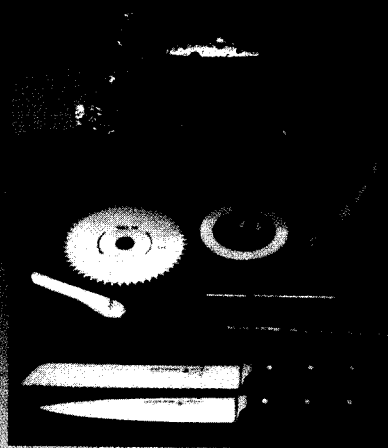


12th Annual Report 2002-2003



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Control Print (India) Limited

WORLD OF CODING AND MARKING

A FEW WORDS ABOUT US

INTERNATIONAL INITIALS

Started in 1991, Control Print (India) Limited began with a dream of bringing the Indian packaging at par with the international benchmark in terms of Coding & Marking. In last 10 years we have grown steadily to become the market leader with a large installed base and comprehensive range of Coding & Marking solutions.

In the current context of globalisation and opening of economy in India, packaging is one sector which is developing at the never before pace and so is the demand for latest Coding & Marking technologies. Control Print is today fully prepared to capitalise on this huge potential ahead and grow at the rate faster than the market.

WHY CODING & MARKING ?

Today every packaged product needs to be coded with variable data such as Batch No., Mfg. Date, Best Before Date, M.R.P., Serial No., etc. Traditionally this was done with older 'off-line' techniques which are slower, inaccurate and inefficient. However, with growing production volumes, greater quality awareness and global competition, more and more manufacturers are adopting the 'on-line' Coding & Marking solutions which Control Print specialises in. The obvious advantages are faster operations, superior prints and economical running cost. Coding & Marking is essential and beneficial in many ways. Some of the key benefits are:

- **Regulatory Compliance :**

Various laws related to packaging make it mandatory to do Coding & Marking on different products. Prominent amongst them are, the Rule 6(1)(c) of the Standards of Weight & Measures (Packaged Commodities) Rules - 1977 and 1998 Packaging Regulation for Edible Oils. Moreover the recent Government notification which makes it mandatory for all perishable packaged food items to be printed with 'Best Before Date', is likely to substantially expand the need for Coding & Marking solutions.

- **Product Freshness :**

Consumers today insist on information about the freshness of a product that they are buying. Easy to read coding of data like Mfg., Date, Best Before Date, etc. can help win consumers' confidence and post a quality conscious brand image.

- **Product Identification :**

Data like Batch No., Serial No., Mfg. Date, etc is essential for tracking products in the event of tampering or recall.

Besides, such identification measures are also essential while implementing various quality standards such as ISO, UL, etc. for any manufacturer.

- **Inventory Control :**

As manufacturing becomes increasingly automated, coded information can guide products through different production processes as well as distribution channels thereby reducing the overall cost of logistics with accurate inventory control.

- **Aesthetics & Promotion :**

As the awareness about the aesthetics of packaging has been growing, the clean, clear and consistent coding & marking have become the integral part of modern package design. These on-line coding machines also allow for printing of seasonal promotional messages directly on to the individual packages thus adding to the marketing value.

- **Product Security :**

The alphanumeric codes or logos printed using modern Ink Jet Printers at specific location on the product surface are virtually impossible to duplicate, and thus serve as an effective measure against the threats of tampering, duplication, etc.

LEADERSHIP THROUGH EXCELLENCE

Control Print (India) Limited offers any array of technologies in Coding & Marking in association with the global leaders like Marconi Data Systems - USA. The products include Contact Coders, Touch Dry Coders, Metal Marking System, Ink Jet Printers and also the Laser Coders along with necessary consumables, spare parts and service support all under one roof. At Control Print we make sure that each of our customer gets value for his money in terms of best quality products and unparalleled service support. A strong technically qualified, trained & experienced team of sales and service people, reaching all corners of India through a network of 10 offices make sure that our customers' needs are met anytime anywhere and translates into total customer satisfaction.

No wonder then the most admired names in Indian industry such as Hindustan Lever, Coca-Cola, Pepsi, Britannia, Nestle, Sara Lee, Cadbury's, Kellogs, Parle, Tata Tea, Tata Steel, Tata Timken, SAIL, Dabur, Zandu, Glaxo, Wockhardt, NDDB, BPL an many more, have been relying on Control Print for their Coding & Marking needs.

BOARD OF DIRECTORS

Dr. S. P. Adarkar	<i>Chairman</i>
Mr. R. S. Agrawal	<i>Director</i>
Mr. Ashok Lohiya	<i>Director</i>
Mr. Basant S. Kabra	<i>Managing Director</i>
Mr. Anirudha B. Joshi	<i>Wholetime Director</i>
<hr/>	
Mr. Rajendra Sawant	<i>Company Secretary</i>

AUDITORS

M/s. Dosi & Jain,
Chartered Accountants
Mumbai 400021.

LISTING ON STOCK EXCHANGES

Mumbai, Kolkata & Ahmedabad

REGD. OFFICE

C-106, Hind Saurashtra Indl. Estate
Andheri-Kurla Road, Marol Naka,
Mumbai - 400059.

REGISTRAR & SHARE TRANSFER AGENT

Sharepro Services
Satam Estate, 3rd Floor,
Above Bank of Baroda,
Cardinal Gracious Road, Chakala,
Andheri (E), Mumbai - 400099.

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LEGAL ADVISORS

M/s. Parimal K. Shroff & Co.
Advocates, Solicitors & Notary
Mumbai - 400023.

WORKS

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

Control Print (India) Limited

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NOTICE

Notice is hereby given that the **Twelfth Annual General Meeting** of the Members of CONTROL PRINT (INDIA) LIMITED will be held on Monday, the 25th August 2003, at Hotel Kohinoor Continental, Opp. J. B. Nagar, 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 Balance Sheet as at 31st March 2003 and the Profit & Loss Account for the year ended on that date, together with the Reports of the Directors and Auditors thereon.
2. To confirm the payment of interim dividend on equity shares of the Company for the year ended 31st March, 2003 and to declare final dividend for the year ended 31st March, 2003.
3. To appoint a Director in place of Mr. Ashok Lohiya, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

For and behalf of the Board

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Rajendra Sawant
Company Secretary

Mumbai, 27th June 2003

Registered Office :

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

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF 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 dividend, if declared, will be paid to the members whose names appear in the Register of Members of the Company as on Friday, the 22nd August, 2003.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 19th August 2003 to Friday, the 22nd August 2003 (both days inclusive).
5. As per the provisions of Section 205C of the Companies Act, 1956, the Unpaid Dividend will be transferred to the "Investor Education and Protection Fund" on the expiry of seven years from the date of declaration of interim dividend i.e. 14th November 2002.
6. Individual shareholder can avail of the facility of nomination. The nominee shall be a person in whom all rights of transfer and/or amount payable in respect of the shares shall vest in the event of the death of the shareholder(s). A minor can be nominee provided the name of the guardian is given in the Nomination Form.
7. Non-Resident Indian shareholders are requested to inform us immediately:
 - a) the change in residential status on return to India for permanent settlement;
 - b) the particulars of NRE Account, if not furnished earlier; and
 - c) non-receipt of interim dividend declared by the Company on 14/11/2002
8. The Securities and Exchange Board of India (SEBI) has made trading in shares of the Company compulsory in dematerialised form with effect from 30th October 2000. Members desirous of converting their physical shares into electronic form are requested to submit their share certificates along with duly filled in and signed Demat Request Form to Depository Participants (DPs) with whom they are having depository accounts. Your company's ISIN is INE66BO1015.

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DIRECTORS' REPORT

To,

The Members of Control Print (India) Limited,

The Directors have pleasure in presenting herewith the **Twelfth Annual Report** on the business and operations of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2003.

1. FINANCIAL RESULTS

	<i>Current Year</i> 2002-2003	<i>(Rs. In lacs)</i> <i>Previous Year</i> 2001-2002
Sales & Service Income	2609.62	2398.40
Other Income	1.89	6.30
Total Income	2611.52	2404.70
Profit before Depreciation & Tax	308.75	237.36
Less : Depreciation	55.52	52.75
Net Profit before Taxation	253.23	184.61
Less : Provision for Taxation	103.00	73.00
Deferred Tax (Assets)/Liability	(1.67)	(6.27)
Net Profit	151.90	117.88
Earliers years adjustment	3.52	0.69
	155.42	118.57
Interim Dividend @ Re.1/- per share	69.22	69.22
Proposed Dividend @ Re. 0.50 per share	34.61	—
Tax on Dividend	4.43	7.06
Balance brought forward	311.83	294.54
Balance available for appropriation	358.99	336.83
Transferred to General Reserve	25.00	25.00
Balance carried to Balance Sheet	333.99	311.83

2. DIVIDEND

The Company had declared an interim dividend @10% i.e. Re.1.00 per share on 69,21,998 equity shares of the Company. The Board of Directors intends to further declares 5% i.e. Re.0.50 per share as final dividend subject to the approval of shareholders, which shall make 15% dividend for the year.

3. REVIEW OF BUSINESS & OPERATIONS

Your Company is well recognised as market leader in the field of Coding & Marking. With intelligent marketing strategies and efficient after sales services, your Company has expanded its market to a number of new and innovative applications. Continuing the stronghold on the traditional key multinational accounts in consumer products industry, the Company has also added a number of medium sized customers to its portfolio.

In this service intensive industry, your Company always try to become its customer's partner in productivity. With its widest choice of Coding & Marking technologies and years of experience in variety of industries, the customers are offered the solution that is most appropriate for the given application.

4. PROSPECTS / FUTURE PLANS

In the current context of globalisation and opening of economy in India, packaging is one sector that is developing at a never before pace and so is the demand for latest Coding and Marking technologies.

Growing investment in consumer goods industries, increased global competition and new packaging regulations by the Government are all promising a high demand for Coding and Marking products in coming years. Your Company is today fully prepared to capitalise on this huge potential ahead and to grow at faster rate. Your Company continues to closely track developments in the Packaging Industry to adjust its business models in line with these developments.

5. FINANCES

The Company had comfortable financial position throughout the period under review.



Control Print (India) Limited

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DIRECTORS' REPORT (Contd...)

6. AUDITORS

M/s. Dosi & Jain, Chartered Accountants, Auditors of the Company, retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a certificate under Section 224 (1B) of the Companies Act, 1956 from them to the effect that their appointment, if made, will be in accordance with the limits as specified in the said Section.

7. AUDITORS REPORT

The Auditor's Report read with the Notes to the Accounts referred to therein are self-explanatory and therefore, do not call for any further information.

8. DIRECTORS

In accordance with the provisions of the Act, and Articles of Association of the Company, Mr. Ashok Lohiya retires by rotation and being eligible, offers himself for re-appointment. Your Directors recommend the re-appointment of retiring Director.

9. LISTING OF EQUITY SHARES

Your Company is being currently listed on the Stock Exchanges at Mumbai, Ahmedabad and Kolkata.

10. STAFF RELATIONS

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

11. DEPOSITORY SYSTEMS

As you are aware, in terms of notification issued by Securities & Exchange Board of India (SEBI), trading of equity shares of your Company is permitted only in dematerialised form with effect from 30th October 2000 for all investors. The shares of your Company have already been activated for dematerialisation on NSDL and CDSL. Your Company has made arrangement for simultaneous dematerialisation of share certificates lodged for transfer, transmission, deletion, etc. As on 31st March 2003, 52,04,101 Equity Shares representing approx. 75.18% of the total equity share capital have been dematerialised.

12. STATUTORY INFORMATION

a) Deposits

Your Company has neither invited nor accepted any deposits from public during the year under review under the Companies (Acceptance of Deposits) Rules, 1975 read with Section 58A of the Companies Act, 1956.

b) Particulars of Energy, Technology Absorption, Foreign 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 Directors) Rules, 1988 are set out in **Annexure A** and form part of this Report.

c) Particulars of Employees

There was no employee of Company who was in receipt of remuneration exceeding amount prescribed under provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, for the financial year under review.

13. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors hereby confirm that:

- a) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) appropriate accounting policies have been selected and applied consistently, and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2003 and of the Profit of the Company for the year ended 31st March, 2003;
- c) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on going concern basis.

14. REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance and a Certificate from Auditors of the Company and forming part of this Report, are given in **Annexure-B** and **Annexure-C** respectively.

15. MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement, the Management Discussion and Analysis Report is as under:

a) Industry structure and developments.

There has been a significant up-gradation in the field of Packaging Industry. Today packaging industry is one sector which is developing at the never before pace and so is the demand for latest Coding & Marking technologies.

b) Opportunities and Threats.

Seeing the globalisation trends and opening of a number of lucrative consumer market sector in the Indian economy, each player in this market is striving to grab the larger market share in terms of installed base. This has led to a pricing war with some aggressive strategies adopted by almost all major players.

c) Segment-wise or product-wise performance.

Sales of the ink-jet printers have shown moderate growth. The new models launched during the period under review have been well received in the market and the financial year 2003-2004 will be the first full year of sales when the potential of these new models will become clear.

d) Outlook, risks and concerns.

Outlook for the Company's products is positive, and steady growth is expected in the long term. However, pricing of the printers / machines shall be under pressure due to competition for getting larger installed base.

f) Internal control systems and their adequacy.

The Company has in place adequate internal controls.