

36th

ANNUAL REPORT 1997-98

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

Report  .com



Conway Printers Limited

TOTAL SOLUTIONS



Conway Printers Limited

Registered Office: 167-C, Dr. Annie Besant Road,
Worli, Mumbai-400 018.

Notice

Notice is hereby given that 36th Annual General Meeting of the shareholders of the Conway Printers Ltd. will be held on Friday the 25th September, 1998, at 10.30 A.M. at Basement Lecture Hall, Nehru Planetarium, Dr. Annie Besant Road, Worli, Mumbai-400 018 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 1998 and the Profit and Loss Account for the year ended on that date and reports of the Directors and Auditors thereon.
2. To appoint a director in place of Shri. Shailesh S. Vaidya who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Smt. Sneha D. Agrawal who retires by rotation and being eligible offers herself for re-appointment.
4. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution.

"RESOLVED that M/s. Chaturvedi and Shah, Chartered Accountants the retiring Auditors be and are hereby re-appointed as auditors of the company till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors in consultation with the Auditors."

Special Business:

5. To consider and, if thought fit, to pass, with or without modifications the following resolution as an Ordinary Resolution:
"RESOLVED that Shri Ayush Agrawal be and is hereby appointed as a Director of the Company."

6. To consider and, if thought fit, to pass, with or without modifications the following resolution as Special Resolution:
"RESOLVED that the authority/power be hereby ratified/conferred unto the Board of Directors of the company to make advances and/or loans to or on behalf of any body corporate which is under the same management as the company within the meaning of sub-section (1B) of section 370 of the Companies Act, 1956, up to a limit of Rs. 396.00 lakhs on such terms and conditions as to repayment thereof and interest thereon as the Board of Directors may determine."

"RESOLVED FURTHER that Mr. Deepak Kumar Agrawal, Director of the company be and is hereby authorised to make an application to the Central Government where the loan exceeds the limits prescribed in this behalf by the Central Government if necessary."

For and on Behalf of the Board of Directors

Registered Office:
167-C, Dr. Annie Besant Road,
Worli, Mumbai-400 018.

Dated : 31st, July, 1998.

Sd /-
(G.P. Agrawal)
Chairman & Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT ABOVE MEETING IS ALSO ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXIES NEED NOT BE A MEMBER OF THE COMPANY.
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed.
3. Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered office of the company not less than 48 hours before the time fixed for the meeting.
4. Any member desiring to ask any question or explanations on Annual accounts should write to the company atleast before 7 days of the date of the meeting so as to keep the answers or explanations ready.
5. Register of Members and share transfer books of the Company shall remain closed from 16th September, 1998 to 25th September, 1998 (both the days inclusive).
6. There is no unclaimed dividend lying with the Company for more than 3 years.

Annexure to the Notice

Explanatory Statement in respect of Special Business as required under section 173(2) of the Companies Act, 1956.

In respect of Item No. 5 :

Shri Ayush Agrawal was appointed as an additional Director on Board on 14th July, 1998. His term of office expires at the conclusion of this Annual General Meeting.

The Notices from shareholders with requisite deposits have been received to propose the candidature of Shri Ayush Agrawal as a Director on the Board of the Company.

Shri Ayush Agrawal is a Graduate in Accounting and Financial Management from the University of Buckingham, U.K. He has also completed a Post Graduate Certificate Degree in Printing & Publishing from LCP, London. His appointment as a Director will give immense technical help to the Company.

Your directors recommend to pass the said resolution.

Shri Govind Prasad Agrawal, Shri Deepak Kumar Agrawal, Smt. Sneha D. Agrawal and Shri Anuj Agrawal may be considered as concerned or interested in the said resolution.

In respect of Item No. 6 :

The company had given a corporate guarantee to The Industrial Credit & Investment Corporation of India Limited in favour of Hiralal Printing Works Ltd. a company which is under the same management within the meaning of sub-section (1B) of section 370 of the Companies Act, 1956 for repayment of loan. The Industrial Credit & Investment Corporation of India Limited wanted to invoke the guarantee since Hiralal Printing Works Ltd. could not repay the amount of loan and hence company had to pay the amount of Rs. 267.52 lakhs to Hiralal Printing Works Ltd. to clear the outstanding of ICICI. Since Hiralal Printing Works Ltd. is under the same management and therefore shareholders consent is hereby sought. Shri G.P. Agrawal, Shri D.K. Agrawal, Smt. Sneha Agrawal, Shri Anuj Agrawal and Shri Ayush Agrawal may be considered as concerned or interested in the said resolution.

The Board recommends to pass the said resolutions as a Special Resolution.

Registered Office:
167-C, Dr. Annie Besant Road,
Worli, Mumbai-400 018.

Dated : 31st, July, 1998.

For and on Behalf of the Board of Directors

Sd /-
(G.P. Agrawal)
Chairman & Managing Director



Conway Printers Limited

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BOARD OF DIRECTORS

Shri G. P. Agrawal
Chairman &
Managing Director

Shri Deepak K. Agrawal
B.Sc., Graphic Repro. Tech., London
Technical &
Sales Director

Shri Anuj Agrawal
B.A. (Hons.) Printing Management
Director

Shri Ayush Agrawal
B.Sc. (Econ.) Hons. in Accounting & Financial Mgmt.
Post-Grad. Printing & Publishing
Director

**CERTIFIED TRUE COPY
FOR CONWAY PRINTERS LTD.**

G.P. Agrawal

DIRECTOR

Smt. Sneha D. Agrawal
M.A.
Director

Shri Shailesh S. Vaidya
Solicitor
Director

Shri L.B. Londhe
B.Sc., LL.M.
Nominee Director
I.C.I.C.I.

AUDITORS

Chaturvedi & Shah,
Chartered Accountants
Member :
Summit International Associates Inc.

BANKERS

Central Bank of India
Industrial Finance Branch,
Worli, Mumbai 400 018.
Oriental Bank of Commerce
Dadar Branch, Mumbai 400 028.
Syndicate Bank
Peddar Road, Mumbai 400 026.

REGISTRARS

R & D Consultants Limited,
610, Dalamal Tower,
211, Nariman Point,
Mumbai 400 021.
Phones: 283 4347/74, 288 4667/68
Fax: 022-285 5759
Gram: Sharehold

NAVI MUMBAI UNIT

Plot No. D-41/1,
T.T.C. Industrial Area,
M.I.D.C., Navi Mumbai 400 613.
Phones : 767 2726, 768 3013
Fax : 022-763 1191

REGISTERED OFFICE & WORLI UNIT

Readymoney Terrace Annexe,
167-C, Dr. Annie Besant Road,
Worli, Mumbai 400 018.
Phones : 493 3671, 493 6216
Fax : 022-497 4904

PUNE OFFICE

304, Unique Chambers,
925, B/1, Fergusson College Road,
Pune 411 004.
Phone : 0212-354857
Fax : 0212-345044



Directors' Report

To
The Shareholders

Your Directors present the Thirty-sixth Annual Report and Audited Accounts of the Company for the year ended 31st March, 1998.

Performance:

During the year under review, the sales of the Company were lower at Rs. 1035.81 lacs as against Rs. 1193.51 lacs in the previous year.

There has been general depression in the economic and industrial activity in the country during last year. As result of which stiff competition has generated and resulted in loss of sales and profit.

The Company has initiated measures like cost cutting and implementing latest computer technology to revive the sales and profitability in this year.

Operational Results:

	Amount Rs.
Loss before providing for Depreciation	2,2565,980
Add : Depreciation	78,99,843
	<u>3,04,65,823</u>
Less : Refund of taxation for earlier years	1,26,241
	<u>3,03,39,582</u>
Less: Investment Allowance Utilised Reserve returned back	13,80,290
	<u>2,89,59,292</u>
Add : Debit Balance as per last Balance Sheet	19,81,825
Loss carried to Balance Sheet	<u>3,09,41,117</u>

The following chart shows the picture of performance of the Company during the year ended 31.03.98, vis-a-vis, projections as per the Prospectus dated 19.10.1994:

Item	Actual Performance For Y.E. 31.3.98 (Rs. in Lacs)	Projection as in Prospectus (Rs. in Lacs)
Gross Income	1021.99	3204
Profit/(Loss) before Int., Dep. & Tax	(125.33)	976
Interest	100.33	32
Depreciation	79.00	103
Tax/Refund of tax	1.26	348
Profit/(Loss)After tax	(303.40)	493

Dividend:

Your Directors do not recommend payment of any dividend for the year ended 31st March, 1998.

Insurance:

All the properties including buildings, plant and machinery and stocks belonging to the Company have been adequately insured.

Re : Flood

The Company had to undergo severe natural calamity in form of flood this year. There was cloud-burst on 22nd August '97 and the flood water entered into our Navi Mumbai Unit causing extensive damage to the boundary walls, roads and building. The stock of papers and other printing materials which were stored in building were extensively damaged. The machines installed in the machine hall were also flooded. We have lodged a claim for repairs of machineries and damage to the stock and building etc for nearly Rs. 123 lakhs with Insurance Company. However, the loss towards production and business could not be claimed because no Insurance was taken by us in the Insurance policy. The unit remained closed for nearly two months during which time all the emoluments to the workers had to be paid without getting any production and heavy repair charges had to be paid to bring the machines back to work. The Company had to suffer heavy business loss during this period. The Insurance Company has taken very long time to assess and settle our claim, which remains unsettled till the writing of this report.

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Directors:

Shri Shailesh S. Vaidya and Smt. Sneha Agrawal, Directors of the Company are due to retire by rotation as required by the Companies Act, 1956 and the Articles of Association of the Company and being eligible, offer themselves for re-appointment.

Shri Ayush Agrawal was appointed as an additional Director of the Company on 14.07.98. He will hold office upto the date of the ensuing Annual General Meeting and is eligible for re-appointment.

Auditors' Appointment:

M/s. Chaturvedi & Shah, Auditors of your Company hold the office until conclusion of the Annual General Meeting and are recommended for re-appointment. The Company has received certificate from the above Auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1) of the Companies Act, 1956.

Auditors' Remarks:

Remarks made in Audit Report and notes thereon are self explanatory.

Particulars of Employees:

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, is set out in the annexure forming part of this report.

Conservation of Energy:

The Company is engaged in the manufacture of printed material where energy consumption is very low. However, the Company is making continuous efforts to economise on the use of power and energy wherever possible.

Your Company is not required to give information of conservation of energy in Form 'A' vide Rule '2' of Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988.

Technology Absorption:

Company is carrying on the printing activity with the latest technology available and the same has been fully absorbed by the Company. However, no separate Research and Development activities are carried out.

Foreign Exchange Earnings and Outgo:

Foreign Exchange realisation during the year on account of deemed exports is Rs. NIL (Previous Year Rs. 1.74 lacs). The Company has incurred expenditure of Rs. 40.94 lacs (Previous Year Rs. 92.58 lacs) in foreign exchange on account of import of Raw Materials.

Deposits:

The Company has complied with the provisions of section 58-A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted during the year.

Appreciation:

Your Directors take this opportunity to thank all staff members and workers for their co-operative attitude in helping the Company to achieve the production. Your Directors also wish to place on record their appreciation for support and co-operation by the Banks and Financial Institutions during the period under review.

Annexure to the Directors' Report:

As given below.

On Behalf of the Board of Directors

MUMBAI

DATED : 14th July, 1998.

G.P. Agrawal
Managing Director

Annexure to the Directors' Report

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975:

S. No.	Name & Age	Designation	Remuneration Received Rs.	Qualification & Experience Number of years	Date of Commencement of Employment	Last Employment held (Number of years approx.)
1.	Mr. G.P. Agrawal (67 years)	Managing Director	3,18,095	B.A. 40 years	22.12.77	M/s Colour Prints & Packagings, Partner (5 years)

Notes : 1. Appointment is Contractual.

2. Remuneration shown above includes reimbursement of Society Charges.



Auditors' Report

The Members,
Conway Printers Limited,
Mumbai 400 018.

We have audited the attached Balance Sheet of CONWAY PRINTERS LIMITED as at 31st March, 1998 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) above,
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) the Balance Sheet and the Profit and Loss Account are in agreement with the books of account;
 - d) In our opinion and to the best of our information and according to the explanation given to us, the accounts subject to note no. 5 regarding non provision of employees gratuity & leave salary of Rs. 61,77,526/- note no. 6 regarding non provision of doubtful debtors of Rs. 9,76,883/- and note No. 9 regarding accounting of prior period expenses of Rs. 11,11,099 read together with other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.
 - 1) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998
 - and
 - 2) in the case of the Profit and Loss Account, of the "Loss" of the Company for the year ended on that date.

For CHATURVEDI & SHAH
Chartered Accountants

MUMBAI
DATED : 14th July, 1998

(B. P. Chaturvedi)
Partner

Annexure to the Auditors' Report

(Referred to in paragraph 1 of our Report of even date)

- i) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets with an exception of Furniture and Fixtures. All the Fixed Assets except Furniture and Fixtures have been physically verified during the year in accordance to annual verification programme, which in our opinion is reasonable having regard to the size of the Company and nature of its fixed assets. No discrepancies were noticed on such verification.
- ii) None of the fixed assets have been revalued during the year.
- iii) Physical verification has been conducted by the management at regular intervals during the year in respect of stores and spares, raw materials and finished goods except the goods lying with the customers for their approval. In our opinion the frequency of such verification is reasonable.
- iv) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- v) Discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

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- vi) On the basis of our examination of stock records, in our opinion the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- vii) The Company has not taken any loans, secured or unsecured, from companies, firms and other parties listed in the Register maintained under Sections 301 and 370(1C) of the Companies Act, 1956.
- viii) The Company has granted unsecured loans to a company listed in the register u/s. 301 and to a company under the same management, as defined u/s. 370(1B) of the Companies Act, 1956. The terms and conditions of such loans are prima-facie not prejudicial to the interest of the company.
- ix) Loans and Advances in the nature of loans have been given by the Company free of interest to its employees. The principal amounts have been recovered regularly. The repayment of principal and interest wherever applicable on other loans given by the Company is regular.
- x) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of stores, raw materials including components, plant and machinery, equipments and other assets and with regard to the sale of goods.
- xi) According to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services pursuant to contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 50,000/- or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods and materials or prices at which transactions for similar goods have been made with other parties.
- xii) As explained to us there were no unserviceable or damaged stores, raw materials and finished goods.
- xiii) The Company has complied with the provision of Section 58A of the Companies Act, 1956 and the Company's (Acceptance of Deposits) Rules 1975 with regard to acceptance of deposits.
- xiv) As explained to us by the management, no records are maintained by the Company for the sale of scrap in view of insignificant amount of the same. However, the value of scrap is recorded in the accounts only on realisation and no value is placed against the stock of scrap on hand as on the Balance Sheet date. There are no by products.
- xv) Although the Company does not have a formal internal audit system, in our opinion, its internal control procedures provide reasonable internal checking of its financial transactions.
- xvi) Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
- xvii) According to the records of the Company there have been few delays in depositing provident fund and employees state insurance dues with the appropriate authorities.
- xviii) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty were outstanding as at 31st March, 1998 for a period of more than six months from the date they became payable.
- xix) According to the information and explanations given to us, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
- xx) The Company is not a sick industrial company within the meaning of Section 3(1)(O) of the Sick Industrial Companies (special provisions) Act, 1985.

For CHATURVEDI & SHAH
Chartered Accountants

MUMBAI
DATED : 14th July, 1998

(B. P. Chaturvedi)
Partner