



MACMILLAN

Macmillan India Limited

29th Annual Report 1998-99



Macmillan India Limited

29th Annual Report 1998-99

BOARD OF DIRECTORS

Mr. N.M. WAGLE	<i>Chairman</i>
Mr. D.E. UDWADIA	<i>Vice Chairman</i>
Mr. A. SOAR	<i>Director</i>
Mr. M. J. BARNARD	<i>Director</i>
Mr. C. R. HARRISON	<i>Director</i>
Mr. RICHARD CHARKIN	<i>Director (From 17.4.1999)</i>
Mr. RAJIV BERI	<i>Managing Director</i>
Mr. R. R. CHARI	<i>Director</i>

Mr. V. K. VENKATAKRISHNAN *Company Secretary & Financial Controller*

AUDITORS

M/S FRASER & ROSS 4A, Kences Towers, North Usman Road,
T. Nagar, Chennai 600 017

BANKERS

ANZ GRINDLAYS BANK
VIJAYA BANK

Head Office	315-316 Raheja Chambers, 12 Museum Road Bangalore 560 001
Registered Office	21 Patullos Road, Chennai 600 002
Printing Press	Injambakkam, Chennai 600 041
Photo Typesetting Division	St. Patrick's Complex, 4th Floor 157 Brigade Road, Bangalore 560 025 8 Church Street, Bangalore 560 001 135 Brigade Towers, Bangalore 560 025 40 Peters Road, Chennai 600 014
Editorial	2/10 Ansari Road, New Delhi 110 002
Branches	Chennai, Jaipur, Mumbai, Patna
Offices	Calcutta, Delhi
Showrooms	Bangalore, Bhopal, Chandigarh, Chennai, Coimbatore, Cuttack, Ghaziabad, Guwahati, Hubli, Hyderabad, Indore, Jaipur, Lucknow, Madurai, Mumbai, Nagpur, Patna, Siliguri, Trivandrum, Visakapatnam

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For the sixteenth year in succession the Company won the *CAPEXIL* award for the highest exports in our category of products. During the year the Company also won prestigious awards for excellence in book production, the *First prize* for textbook production and *Certificate of merit* for our 'School Books Catalogue' from the Federation of Indian Publishers. Our publication 'Economic Reform and Global Change' has won the *DMA ESCORTS BOOK AWARD*.

The accounts of the subsidiary company are annexed. The premises of the subsidiary company have been used for the business of your company.

During the year under review, foreign exchange earned by exports improved to Rs.2707 lacs from Rs.1784 lacs in 1997-98. The outgo of foreign exchange was Rs.609 lacs. Thus the net foreign exchange earned by the Company was Rs.2098 lacs as against Rs.1403 lacs for the previous year. The details of earnings and outgo are given in the Notes forming part of the Accounts for the year ended 31st March 1999.

The provisions regarding disclosure of particulars in Form A with respect to Conservation of Energy is not applicable to the Printing and Publishing Industry. Particulars regarding Technology Absorption in Form B are annexed to this report.

Industrial Relations throughout the Company remained cordial during the year under review.

Future gratuity liabilities as determined by actuarial valuation are fully provided for and funded with the Life Insurance Corporation of India.

The Company does not have a fixed deposit scheme.

Under Article 108 of the Articles of Association of the Company Mr. A. Soar and Mr. R. R. Chari retire by rotation and being eligible offer themselves for re-election.

Mr. M. C. Abraham retired from the Board with effect from 31st March 1999 and the Board has placed on record its sincere appreciation of his valuable contribution to the Company's growth during his 27 years of service with our Company.

Mr. Richard Charkin was co-opted as director with effect from 17th April 1999 and will hold office upto the date of the forthcoming Annual General Meeting of the members of the Company. The Company has received notices from Members under Section 257 of the Companies Act, 1956, proposing the appointment of Mr. Richard Charkin as director of the Company at the Annual General Meeting.

The Auditors, Messrs. Fraser & Ross, retire from office at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

Information as per sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forming part of the Directors' Report for the year ended 31st March 1999 is annexed.

The Directors wish to express their appreciation to Macmillan U.K. and Verlagsgruppe Georg von Holtzbrinck, Germany for their generous support throughout the year, particularly in connection with the export division. The Directors also wish to record their appreciation of the dedication and support of the staff at all levels.

Mumbai,
15th June 1999

On behalf of the Board
N.M. WAGLE
Chairman

REPORT OF THE BOARD OF DIRECTORS (Cont.)

MACMILLAN INDIA LIMITED 29th ANNUAL REPORT

Awards

For the sixteenth year in succession the Company won the *CAPEXIL* award for the highest exports in our category of products. During the year the Company also won prestigious awards for excellence in book production, the *First prize* for textbook production and *Certificate of merit* for our 'School Books Catalogue' from the Federation of Indian Publishers. Our publication 'Economic Reform and Global Change' has won the *DMA ESCORTS BOOK AWARD*.

Subsidiary Company

The accounts of the subsidiary company are annexed. The premises of the subsidiary company have been used for the business of your company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Out-Go

During the year under review, foreign exchange earned by exports improved to Rs.2707 lacs from Rs.1784 lacs in 1997-98. The outgo of foreign exchange was Rs.609 lacs. Thus the net foreign exchange earned by the Company was Rs.2098 lacs as against Rs.1403 lacs for the previous year. The details of earnings and outgo are given in the Notes forming part of the Accounts for the year ended 31st March 1999.

The provisions regarding disclosure of particulars in Form A with respect to Conservation of Energy is not applicable to the Printing and Publishing Industry. Particulars regarding Technology Absorption in Form 'B' are annexed to this report.

Industrial Relations

Industrial Relations throughout the Company remained cordial during the year under review.

Gratuity

Future gratuity liabilities as determined by actuarial valuation are fully provided for and funded with the Life Insurance Corporation of India.

Fixed Deposit

The Company does not have a fixed deposit scheme.

Directors

Under Article 108 of the Articles of Association of the Company Mr. A. Soar and Mr. R. R. Chari retire by rotation and being eligible, offer themselves for re-election.

Mr.M.C. Abraham retired from the Board with effect from 31st March 1999 and the Board has placed on record its sincere appreciation of his valuable contribution to the Company's growth during his 27 years of service with our Company.

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Auditors

The Auditors, Messrs. Fraser & Ross, retire from office at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

Particulars of Employees

Information as per sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forming part of the Directors' Report for the year ended 31st March 1999 is annexed.

Acknowledgements

The Directors wish to express their appreciation to Macmillan U.K. and Verlagsgruppe Georg von Holtzbrinck, Germany for their generous support throughout the year, particularly in connection with the export division. The Directors also wish to record their appreciation of the dedication and support of the staff at all levels.

Mumbai,
15th June 1999

On behalf of the Board
N.M. WAGLE
Chairman

REPORT OF THE BOARD OF DIRECTORS (Cont.)

MACMILLAN INDIA LIMITED 29th ANNUAL REPORT

Annexure to the Directors' Report

Form B — Disclosure of Particulars with Respect to Technology Absorption

Research & Development:

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|---|---|
| 1. Specific areas in which R & D was carried out by the Company | <p>The Company continued its effort in the development of the following:—</p> <ul style="list-style-type: none"> ○ Delivery of conventional typeset output in Electronic form. ○ System and software to meet the customers' new enhanced requirements. ○ Superior typesetting system support. ○ Complete range of Electronic Publishing Services. ○ Build a more advanced typesetting system facility. ○ Better production process for efficient job handling. ○ New communication facilities. ○ Better training tools. ○ Year 2000 compliant systems. |
| 2. Benefits derived as a result of the above R & D | <ul style="list-style-type: none"> ○ Able to meet the customers' new and more complex requirements. ○ Better tools to control quality. ○ Improved production process. ○ Maintaining leadership as a technologically advanced supplier. ○ Superior method of document delivery in Electronic form. |
| 3. Expenditure on R & D | <ul style="list-style-type: none"> ○ Included in the appropriate heads. |

Technology Absorption, Adaptation and Innovation

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| 1. Efforts in brief made towards technology absorption, adaptation and innovation | <ul style="list-style-type: none"> ○ Development of new software for STM Journal typesetting and electronic publishing. ○ Development of customized software to meet the customers' present and future needs. |
| 2. Benefits derived from the above | <ul style="list-style-type: none"> ○ The technology developed is being used in meeting customers' new and changing requirements and quality. This has also helped the Company to keep pace with rapidly changing technology in Printing, Publishing and Information Services. |
| 3. Imported Technology | <ul style="list-style-type: none"> ○ No Technologies were imported. |

REPORT OF THE AUDITORS TO THE MEMBERS

MACMILLAN INDIA LIMITED 29th ANNUAL REPORT

We have audited the attached Balance Sheet of Macmillan India Limited as at 31st March 1999, and the Profit and Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure, on the basis of such checks as we consider appropriate, a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we state that:
 - (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 accounts as required by law have been kept by the Company so far as appears from our examination of such books.
 - (c) The Balance Sheet and Profit and Loss Account referred to in this Report are in agreement with the books of account.
 - (d) The Profit and Loss Account and Balance Sheet comply with Accounting Standards referred to in sub-section (3)(C) of Section 211 of The Companies Act, 1956.
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the said Profit and Loss Account read together with the schedules and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March 1999, and
 - (ii) in so far as it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date.

Chennai
15th June 1999

For FRASER & ROSS
K. N. RAMASUBRAMANIAN
Partner
Chartered Accountants

REPORT OF THE AUDITORS TO THE MEMBERS (Cont.)

MACMILLAN INDIA LIMITED 29th ANNUAL REPORT**Annexure to the Auditors' Report***(Referred to in Paragraph 1 of our report of even date)*

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets have been physically verified by the Management once during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on verification.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, spare parts and raw materials have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
4. The procedure 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.
5. The discrepancies noticed on verification, between the physical stocks and the book records, were not material, and these have been properly dealt with in the books of account.
6. On the basis of the examination of the stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in the preceding year.
7. No loans have been taken from companies, firms or other parties listed in the registers maintained under Section 301 or from the companies under the same management as defined in sub-section (1B) of Section 370 of the Companies Act, 1956.
8. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or to any company under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
9. In respect of loans and advances in the nature of loans given to the employees and others they are being repaid together with interest wherever applicable as stipulated.
10. 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 the nature of its business with regard to the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and with regard to the sale of goods.
11. In our opinion and according to the information and explanations given to us, there were no transactions of purchase of goods and materials and sale of goods and services made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956.
12. As explained to us, there is no unserviceable or damaged stores, raw materials and finished goods at the end of the year.
13. The Company has not accepted any deposits from public.
14. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realisable scraps. The Company has no by-products.
15. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

REPORT OF THE AUDITORS TO THE MEMBERS (Cont.)

MACMILLAN INDIA LIMITED 29th ANNUAL REPORT

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| <p>16. The provisions of Section 209 (1) (d) of the Companies Act, 1956 regarding maintenance of cost records are not applicable to the Company.</p> <p>17. According to the records of the Company, Provident Fund dues and the Employees' State Insurance dues have been regularly deposited during the year with the appropriate authorities.</p> <p>18. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs duty and Excise duty were outstanding as at 31-3-1999 for a period of more than six months from the date they became payable.</p> <p>19. According to the information and explanations given to us, no personal expenses of employees</p> | <p>or Directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.</p> <p>20. The Company is not a sick industrial company within the meaning of clause (O) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.</p> <p>21. In respect of goods traded in by the Company, as explained to us, there were no damaged traded goods held at the end of the year.</p> |
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For FRASER & ROSS
K. N. RAMASUBRAMANIAN

Chennai
15th June 1999
Partner
Chartered Accountants

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BALANCE SHEET AS AT 31st MARCH 1999

MACMILLAN INDIA LIMITED 29th ANNUAL REPORT

	Schedule No.	As at 31.3.99 Rs. in lacs	As at 31.3.98 Rs. in lacs
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
Share Capital	1	846.47	282.15
Reserves and Surplus	2	4,934.95	4,074.85
		<u>5,781.42</u>	<u>4,357.00</u>
		<u>5,781.42</u>	<u>4,357.00</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets	3		
Gross Block		2,796.23	2,592.48
Depreciation		1,769.08	1,583.24
		<u>1,027.15</u>	<u>1,009.24</u>
Net Block		1,146.98	—
Capital Work-in-Progress		<u>2,174.13</u>	1,009.24
		<u>395.20</u>	895.20
2. Investments	4		
3. Current Assets, Loans and Advances			
Inventories	5	401.77	399.89
Sundry Debtors	6	2,647.71	1,746.43
Cash and Bank Balances	7	2,285.07	1,631.17
Loans & Advances	8	295.36	434.49
		<u>5,629.91</u>	<u>4,211.98</u>
Total Current Assets		1,590.08	1,150.73
Less: Current Liabilities	9	827.74	608.69
Provisions	10	<u>2,417.82</u>	<u>1,759.42</u>
Total Current Liabilities & Provisions		<u>3,212.09</u>	2,452.56
Net Current Assets		<u>5,781.42</u>	<u>4,357.00</u>
Notes on Accounts	18		

Per our report of even date
For FRASER & ROSS

K. N. RAMASUBRAMANIAN

Partner
Chartered Accountants

Chennai
15th June 1999

RAJIV BERI
Managing Director
V.K. VENKATAKRISHNAN
Secretary

A. SOAR
R.R. CHARI
RICHARD CHARKIN
Directors