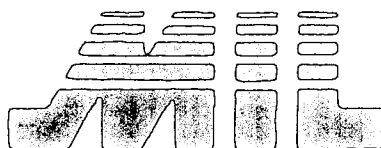


Monotype India Limited

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

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23rd Annual Report
1997-98



OUR PRODUCTS

Camera	Image Setting	Turn-key Projects
Rotaprint Offset Machine	D.T.P.	Printing Down Frame
Whirler	Lining-up Retouching Table	Contact Printer

MONOTYPE INDIA LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the twenty third Annual General Meeting of the Company will be held at Great Eastern Hotel, 1/3, Old Court House Street, Calcutta - 700 069 on Thursday the 10th September 1998 at 11 A.M. to transact the following business:

1. To receive, consider and adopt the accounts of the Company for the year ended 31st March 1998 and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. M. K. Jalan who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

As special business

4. To consider and, if thought fit, to pass with or without modification, the following resolution as a special Resolution.

"RESOLVED that subject to confirmation of the Company Law Board under Section 17 and other applicable provisions of the Companies Act 1956, Clause 2 of the Memorandum of Association of the Company be altered by the substituting the following Clause :

"2 The Registered Office of the Company will be situated in the State of Karnataka".

RESOLVED FURTHER that on obtaining the confirmation from the Company Law Board, the Registered Office of the Company be transferred from the State of West Bengal to the State of Karnataka".

Registered Office:

12, Government Place East
Calcutta - 700 069
Date : 8th July 1998

By order of the Board

S. P. Ghosh

Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies to be effective must be deposited at the Registered Office of the Company not less than FORTYEIGHT hours before the time of the meeting.
2. Members are requested to bring their copy of Annual Report and the Attendance Slip to the Meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from 8th September 1998 to 10th September 1998 both days inclusive.
4. The unclaimed dividends upto the Company's financial year ended on 31st March 1990 have been transferred to the General revenue Account of the Central Government and such dividends can be claimed by the shareholders from the Registrar of Companies, West Bengal at 234/4 Acharya Jagadish Chandra Bose Road, Calcutta - 700 020.
5. An explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business of the meeting is annexed hereto.

ANNEXURE

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 4

Clause 2 of the Memorandum of Association of the Company provides that the registered office of the Company will be situated in the State of West Bengal. As the manufacturing operations of the Company have been carried on from the Factory located in Bangalore in the State of Karnataka, it is more convenient and economical to manage the operations from Bangalore in the State of Karnataka. Therefore, the Directors consider that the Registered office should be transferred to the State of Karnataka.

The Board of Directors recommends the passing of this Special Resolution.

None of the Directors of the Company is interested or concerned in this resolution.

Registered Office:

12, Government Place East
Calcutta - 700 069

By Order of the Board

S. P. Ghosh

Company Secretary

Date : 8th July 1998

Directors

P. K. CHOKSEY
Chairman

M.K.JALAN

H.M.PAREKH

Secretary

S.P. GHOSH

Auditors

LOVELOCK & LEWES

Bankers

ANZ GRINDLAYS BANK plc

CANARA BANK

Registered Office

12 GOVERNMENT PLACE EAST
CALCUTTA - 700 069.

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REPORT OF THE
DIRECTORS FOR THE
YEAR ENDED 31ST MARCH
1998

The Directors present herewith the Annual Report with the Audited Accounts of the Company for the financial year ended 31st March 1998.

Financial Results : (Rupees in Lakhs)

	Year to 31st March 1998	Year to 31st March 1997
Profit/(Loss) for the period before Depreciation & Taxation	(98.29)	(0.79)
Less Depreciation	4.99	5.16
Provision for Taxation	--	---
Net Profit/ (Loss)	(103.28)	(5.96)
Balance of profit/(Loss) brought forward from the previous year	(49.01)	(43.06)
Carried to Balance sheet	(152.29)	(49.02)

PERFORMANCE

The total income of the Company was Rs. 350.45 Lacs as against Rs. 403.65 lacs for the previous year. The Company has incurred a net loss of Rs. 103.28 lacs as against net loss of Rs. 5.96 lacs for the previous financial year.

Extra-Ordinary General Meeting held on 30th January 1998, the Company has issued during the year 2,50,000 1% Non-cumulative Redeemable Preference Shares of Rs. 100 each of an aggregate value of Rs. 250 Lakhs on private placement basis.

DIVIDEND :

Due to accumulated loss in the books of accounts, the directors are not recommending any dividend.

INCREASE OF AUTHORISED SHARE CAPITAL

The Members at the Extra-Ordinary General Meeting held on 30th January 1998 resolved to increase the authorised Share Capital of the Company to Rs. 5 crores by creation of 2,50,000 Preference Shares of Rs. 100 each for meeting long term working capital requirement of the Company.

ISSUE OF PREFERENCE SHARES

Pursuant to the resolution passed by the Members at the

MONOTYPE CORPORATION PLC, UK

The suit filed by the Company in the Calcutta High Court against the above foreign principal and the Joint Administrative Receivers in the UK for recovery of outstanding commissions together with interest thereon was amicably settled between the parties and according to the terms of settlement Monotype Corporation plc agreed to transfer 3,63,528 equity shares of Rs. 10 each all fully paid-up being their entire shareholding in Monotype India Limited in favour of the Receiver appointed for the said shares who after obtaining RBI approval will sell the said shares and make over



the net sale proceeds less cost and expenses of such sale to Monotype India Ltd. The Company had agreed to accept such payment in full and final satisfaction of all its claim against the foreign principal. The Board felt that the aforesaid settlement is in the best interest of the Company and its shareholders because in absence of any other assets of the foreign principal in India, the Company may not receive anything against its dues even after incurring huge legal expenses.

OPERATIONS

The Company has initiated major restructuring of its operations during the year keeping in mind the technological obsolescence of its core product lines namely Lithotex range of pre-press equipments and hot metal. The Company licensed its hot metal business to a private entrepreneur and focussed on development of small offset printing machine - Rotaprint at its factory at Bangalore. In trading operations, focus was shifted from selling DTP system to providing Digital Pre-press solution to the customers. The Software Development Division was also reorganised as a separate profit centre. The entire marketing team was revamped with hiring of professionals of requisite skill and experience.

The operational losses suffered by the Company were on account of the above major restructuring and may be termed as an investment for the future of the Company. The Company has already completed the Rotaprint project with shipment of first two machines to Directorate of Technical Education, Kanpur. The product is expected to have

good market potential. In trading operations, Company have emerged as a leading player with national presence to provide total digital pre-press solutions. The Company has successfully completed prestigious pre-press installation during the period under review and expect handsome growth in business during the current year. The Company is also looking at new areas for its trading operations synergistic to its existing operations. The Software Division is in the process of upgrading its existing products and is now fully equipped to provide customized solutions to newspaper industry.

Barring unforeseen circumstances, the Company expects a significant turnaround in its performance both in term of turnover and profitability during the current year.

CAPITAL EXPENDITURE

The total capital expenditure during the year amounted to Rs. 43.83 Lacs of which Rs. 1.32 Lacs was on account of research and development activities.

AUDITORS OBSERVATION

With regard to the observations of the Auditors in their report, the details contained in the notes on the Balance Sheet and notes to the accounts are self-explanatory and do not call for any further comments from the Directors.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO :

The major area of R & D activities are :

- (i) Development of Rotaprint Offset machine



(ii) Development and upgradation of multilingual software

(iii) Customised workflow solution for newspaper industry

(iv) Digital Prepress solutions

The information regarding foreign exchange earning and out go is given in the Notes forming part of Accounts.

BENEFITS DERIVED AS A RESULT OF ABOVE R & D

- (i) Positioning for entry into offset printing machine segment which holds good potential for further growth
- (ii) Better marketability of existing software products
- (iii) Better penetration into market for digital prepress equipments

PUBLIC DEPOSIT

The total amount of the deposits held by your Company as at 31st March 1998 stood at Rs. 2.76 Lacs. The entire amount of fixed deposit has been matured but lying unclaimed except a sum of Rs. 5000/- which is under process for repayment.

PARTICULARS OF EMPLOYEES

Particulars of Employees required under Section 217 (2A) of the Companies Act, 1956 are given in Annexure to the Director's Report.

DIRECTORS

Mr. Mahadeo Jalan resigned from the Board of Directors with effect from 4th October 1997 due to personal health reason. The Board recorded its deep appreciation of valuable service rendered by Mr. Mahadeo Jalan during his association with the Company.

Mr. M K Jalan will retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

INDUSTRIAL OPERATION

During the year under review, industrial relations in the Company continued to be cordial and satisfactory.

FUTURE PROSPECT

With the successful commercial production of Rotaprint Offset Printing Machine the Company expects a much better performance for the year 1998-99.

AUDITORS

The retiring Auditors, Lovelock & Lewes, Chartered Accountants are eligible and have indicated their willingness to act if reappointed. The Company has received from them a Certificate to the effect that the proposed reappointment, if made, will be in accordance with the limits specified in Section 224 (1B) of the Companies Act, 1956.

ACKNOWLEDGEMENT

The Directors wish to thank the investors, Company's Bankers, and Employees for the consistent support received from them throughout the year.

On behalf of the Board of Directors

P K CHOKSEY
CHAIRMAN

Date : 8th July 1998

ANNEXURE TO THE DIRECTOR'S REPORT

Statement pursuant to Section 217 (2-A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Director's Report for the year ended 31st March 1998.

SL. No.	Name (Sriyuths)	Age	Designation/ Nature of duties	Remuneration (Rs.)	Qualification	Experience (years)	Date of commencement of Employment	Last Employment held before joining the Company
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Employees throughout the financial year and were in receipt of remuneration aggregating not less than Rs.3,00,000/- per annum.

NIL

Employees for the part of the financial year & were in receipt of remuneration at the rate of not less than Rs. 25,000/- p.m.

1.	T R Vishwanathan	48	Vice President	1,55,000	Msc.DBA.Dip in Book publishing	19	16.01.96	Indo European Machinery Co. Pvt Limited, Bangalore
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NOTES : 1. Nature of Employment - Contractual.

2. Not related to any Director of the Company.

3. Remuneration includes salary, House Rent Allowance, Special Allowances.

Company's contribution to Provident Fund and monetary value of perquisites as per Income Tax rules.

On behalf of the Board of Directors

P K Choksey
Chairman
8th July 1998



ACCOUNTS