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for MONOTYPE INDIA LIMITED

S. Phani



MONOTYPE INDIA LIMITED

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**25TH ANNUAL REPORT
1999-2000**

**Directors**

P K CHOKSEY
Chairman

M.K.JALAN

H.M.PAREKH

RAJESH JAIN
(Alternate to M.K.Jalan)

Secretary

S.P.GHOSH

Auditors

LODHA & CO

Bankers

CANARA BANK

Registered Office

12 GOVERNMENT PLACE EAST
CALCUTTA - 700 069.

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the twenty fifth Annual General Meeting of the Company will be held at Great Eastern Hotel, 1/3 Old Court House Street, Calcutta - 700 069 on Friday the 22nd December, 2000 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, 2000 and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. P.K. Choksey who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED that pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered as follows :

- A. In the Article 1, new definition "Member" be inserted after the definition "the Company" as follows :

"Member" shall mean the duly registered holder from time to time of the shares of the Company and includes the Subscribers to the Memorandum of Association of the Company and also one whose name is entered as the Beneficial Owner of the shares in the records of the Depository.

- B. After Article 11, the following new Article as Article 11A be inserted with the heading "Dematerialisation of Securities " :-

"Dematerialisation of Securities

- 11A.1. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.

Definition :

2. For the purpose of this Article :-

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities & Exchange Board of India.

'Depository' means a Company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as depository under the Securities & Exchange Board of India Act, 1992 ;

'Security' means such security as may be specified by SEBI from time to time.

Options for Investors :

3. Every holder of or subscriber to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.



If a person opts to hold his security with a Depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in Depositories to be in fungible form :

4. All securities of the Company held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities of the Company held by it on behalf of the beneficial owners.

Rights of Depositories and beneficial Owners :

- 5
 - a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security of the Company on behalf of the beneficial owner.
 - b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
 - c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of Documents :

6. Notwithstanding anything in the Act or these Articles to the contrary, where securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities :

7. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of Securities dealt with in a Depository :

8. Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive Number of Securities held in a Depository :

9. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

Register and Index of Beneficial Owners :

10. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles."



C. After the Article 52, the following new Article be inserted as Article 52A :

"Nomination of Shares

52A. Notwithstanding anything contained in the preceding Article, every holder(s) of shares in the Company, holding either singly or jointly, may, at any time, nominate a person in the prescribed manner to whom the shares and/or the interest of the member in the capital of the Company shall vest in the event of his/her death. Such member may revoke or vary his/her nomination, at any time, by notifying the same to the Company to that effect. Such nomination shall be governed by the provisions of Section 109A and 109B of the Act or such other regulations governing the matter from time to time."

Registered Office :
12, Government Place East,
Calcutta : 700 069.
Dated : 30th October, 2000

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/HER STEAD AND APROXY 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 20th December, 2000 to 22nd December, 2000 both days inclusive.
4. The unclaimed dividends upto the Company's financial 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 the Companies, West Bengal, 234/4, A.J.C.Bose Road, Calcutta - 700 020.
5. Nomination facility is now available to the members in respect of the shares held by the them as per provisions of the ammended Companies Act, 1956. Members intending to avail the facility may obtain Form 2B from the Secretarial Department.
6. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.



ANNEXURE

EXPLANATORY STATEMENT

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

Item No.4.

In order to bring the Company's Articles of Association in line with the Depositories Act, 1996, and the amendments made to the Companies Act, 1956, certain changes are required to be made in the Articles of Association of the Company as specified in the proposed resolution.

A copy of the Articles of Association of the Company is available for inspection by the members at the Registered Office of the Company between the hours of 11 A.M. and 1 P.M. on any working day except Saturday prior to the date of the meeting.

The Board recommends this resolution for approval.

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

Registered Office :
12, Government Place East,
Calcutta : 700 069.
Dated : 30th October, 2000

By Order of the Board

S.P.Ghosh
Company Secretary

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Monotype India Limited

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2000

The Directors present herewith the Annual Report with the Audited Accounts of the Company for the Financial Year ended 31st March 2000.

Financial Results : (Rupees in Lakh)

	Year to 31st March 2000	Year to 31st March 1999
Profit / (Loss) for the period before	(237.07)	(169.54)
Depreciation and Taxation Less Depreciation	35.32	23.64
Provision for Taxation	—	—
Net Profit / (Loss)	(272.39)	(193.18)
Balance of Profit/(Loss) brought forward from the previous year	(345.47)	(152.29)
Carried to Balance Sheet	(617.86)	(345.47)

PERFORMANCE

The total income of the Company was Rs.112.55 lacs as against Rs.286.05 lacs for the previous year. The Company has incurred a net loss of Rs.272.39 lacs as against net loss of Rs.193.18 lacs for the previous financial year.

DIVIDEND

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

OPERATIONS

The operations of Bangalore Factory and Regional Offices which were suspended since 31st August 1999 continued to remain suspended during the period under review. The trading activities of the Company, however, continued on a small scale from the Calcutta Region through an Agency appointed for this purpose.

The recessionary condition prevailing in the Engineering Industry continued through the period without any sign of recovery.

MONOTYPE CORPORATION PLC,UK

The Receiver appointed to sell the Company's 363528 equity shares of Rs.10/- each held by MONOTYPE CORPORATION PLC, UK. ("Foreign Principal") has sold the said shares as directed by the Reserve Bank of India and handed over to the Company a sum of Rs.54,09,743 being the net sale proceeds after deducting his cost and expenses. The said amount being the final settlement of Company's claim has been adjusted against the commission due from the Foreign Principal.

SICK INDUSTRIAL COMPANY & REFERENCE TO BIFR

The accumulated loss of your Company as per the audited accounts as at 31st March 2000 having exceeded its entire networth, your Company has become a Sick Industrial Company and a mandatory reference shall be made to BIFR as per provision of Section 15 of the Sick Industrial Company (Special Provisions) Act (SICA) for determination of the measures which shall be adopted with respect to the Company.

As regards preparation of accounts on going concern basis as referred to in the auditors report, notes to the Account Nos. XXI is self explanatory.

REDEMPTION OF DEBENTURES & INTEREST THEREON

Due to liquidity / financial crunch faced by the Company during the last several years, your Company could neither pay interest nor the redemption amount due on secured non-convertible Debentures issued on private placement basis to Unit Trust of India and Canbank Mutual Fund. Canara Bank being the Trustees of both the aforesaid Debenture holders have taken legal actions against the Company for recovery of the dues. The management are endeavouring to re-negotiate the payment terms with the Trustees in view of the Company's current financial position.

CAPITAL EXPENDITURE

No capital expenditure during the year was incurred.

**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.

RESEARCH AND DEVELOPMENT

No research activities could be carried out due to suspension of work at Bangalore Factory where such research facilities are housed. No separate account of expenditure on R & D is maintained.

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

- a) On account of suspension of work in Bangalore Factory and all Regional centres, information in respect of conservation of energy and technology absorption could not be collected despite best efforts.
- b) Information regarding foreign exchange earning and out go is given in the Notes forming part of Accounts.

PUBLIC DEPOSIT

The total amount of deposits held by your Company as at 31st March 2000 stood at Rs. 2.19 Lacs. The entire amount of fixed deposit has matured but lying unclaimed. The Company has discontinued to accept deposit from the public.

STATUS OF Y2K COMPLIANCE

The Company's computer system had been made Y2K compliant and there was no disruption to its Computer Systems at the time of rollover to the year 2000.

LISTING AGREEMENT COMPLIANCE

In pursuance of Clause 31 of the Listing Agreement, it is stated that the Company's Equity Shares are listed at

- a) i) The Calcutta Stock Exchange Association Ltd. Calcutta.
- ii) The Stock Exchange, Mumbai
- b) The Company has paid annual listing fee

upto 1999-2000 to each of the above Stock Exchanges.

PARTICULARS OF EMPLOYEES

Information about the particulars of Employees required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not given in the Annexure to the Director's Report as no employee's remuneration attracts the aforesaid provisions.

DIRECTORS

Mr. Rajesh Jain has been appointed as an alternate Director to Mr. Madhukar Jalan in pursuance of Article 108 of the Articles of Association of the Company by the Board of Directors from 27th August 2000

Mr. P.K. Choksey will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

EXTENSION OF TIME FOR HOLDING ANNUAL GENERAL MEETING

The Registrar of Companies, West Bengal has granted your Company an extension of time for a period of three months i.e. upto 31st December 2000 for holding the Annual General Meeting.

INDUSTRIAL RELATION

During the year under review, the Management and the Union Authorities arrived at an amicable settlement in view of critical financial condition of the Company. All the employees have now resigned from their services and received their statutory and other dues from the Company.

AUDITORS

Lodha & Co., Chartered Accountants will retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

ACKNOWLEDGEMENT

The Directors wish to thank the Investors, Company's Bankers, and Employees for the Co-operation and support received from them throughout the year.

On behalf of the Board of Directors

P K CHOKSEY

CHAIRMAN

Place: Calcutta

Date : 31st October, 2000



Monotype India Limited

BALANCE SHEET AS AT 31st MARCH 2000

		31st March 2000		31st March 1999	
Schedule		Rs	Rs	Rs	Rs
I. Source of Funds					
Shareholders' Funds					
Capital	1	41,484,960		41,484,960	
Reserves & Surplus	2	5,142,355		5,169,355	
			46,627,315		46,654,315
Loan Funds					
Secured Loans	3	13,326,702		11,499,806	
Unsecured Loans	4	15,150,740		14,040,148	
			28,477,442		25,539,954
Total			75,104,757		72,194,269
II. Application of Funds					
Fixed Assets					
Gross Block	5	28,737,730		16,644,211	
Less: Depreciation		13,517,089		11,948,497	
Net Block		15,220,641		4,695,714	
Capital Work in Progress at cost		—		29,752,995	
Less : Depreciation		—		1,741,782	
		15,220,641	15,220,641	28,011,213	32,706,927
Investments	6		122,750		122,750
Current Assets, Loans & Advances					
Inventories	7	1,469,879		10,244,234	
Sundry Debtors	8	9,775,912		19,529,084	
Cash & Bank balances	9	266,508		865,912	
Loans & Advances	10	4,869,868		4,739,348	
		16,382,167		35,378,578	
Less:					
Current Liabilities and Provisions					
Liabilities	11	12,989,173		25,669,880	
		12,989,173		25,669,880	
Net Current Assets			3,392,994		9,708,698
Miscellaneous Expenditure to the extent not written off or adjusted	12		—		526,102
Profit and Loss account	13		56,368,372		29,129,792
Total			75,104,757		72,194,269
III. Notes to the accounts					
IV. Balance Sheet Abstract and Company's General Business Profile					
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The Schedule referred to above form an integral part of the Balance sheet.
This is the Balance Sheet referred to in our Report of even date.

For Lodha & Co.
Chartered Accountants

G. Sburamania Sarma
Partner

Place: Chennai
Date : 31st October 2000

Place: Calcutta
Date : 30th October 2000

On behalf of the Board

P K Choksey	Chairman
H M Parekh	Director
Rajesh Jain	Director
S P Ghosh	Secretary