



# MONOTYPE INDIA LIMITED

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FOR MONOTYPE INDIA LIMITED

S. P. GHOSH  
Company Secretary

Report

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**27TH ANNUAL REPORT  
2001-2002**

**Directors**

RAJESH JAIN  
Chairman

ASHOK KUMAR

V. V. AGARWALLA

Secretary

S.P.GHOSH

**Auditors**

LODHA & CO

**Bankers**

The Federal Bank Limited

**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 seventh Annual General Meeting of the Company will be held at the premises of Company's Workshop at 8 Waterloo Street, Kolkata 700 069 on Saturday the 28th September, 2002 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, 2002 and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Sri Rajesh Jain who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

**Registered Office :**  
12, Government Place East,  
Calcutta : 700 069.  
Dated : 26th August, 2002

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 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 remain closed from 25th September, 2002 to 28th September, 2002 both days inclusive.
4. Nomination facility is now available to the members in respect of the shares held by them as per provisions of the amended Companies Act, 1956. Members intending to avail the facility may obtain Form 2B from the Secretarial Department.
5. Sri Rajesh Jain (32 yrs), Director who retires by rotation at this meeting is a Fellow Member of the Institute of Chartered Accountants of India and holds Directorship of several Companies.



## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2002

The Directors present herewith the Annual Report with the Audited Accounts of the Company for the Financial Year ended 31st March 2002.

### Financial Results : (Rupees in Lakh)

	Year to 31st March 2002	Year to 31st March 2001
Profit / (Loss) for the period before Depreciation and Taxation	14.94	(92.76)
Less Depreciation	2.65	8.60
Prior Period Adjustment	4.00	—
Provision for Deferred Taxation	2.96	—
Income Tax for Earlier Year	1.52	—
Net Profit / (Loss)	3.81	(101.36)
Balance of Profit/(Loss) brought forward from the previous year	(719.22)	(617.86)
Balance Carried to Balance Sheet	(715.41)	(719.22)

### PERFORMANCE

The total income of the Company was Rs.24.11 lacs as against Rs.23.78 lacs for the previous year. The Company has made a net profit of Rs. 3.81 lacs as against a net loss of Rs.101.36 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 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.

### DIRECTORS RESPONSIBILITY STATEMENT

In compliance of Section 217(2AA) of the Companies Act 1956 as amended, the Directors of your Company confirm:

I) That in the preparation of the annual accounts, the

applicable accounting standards have been followed;

II) That such accounting policies have been selected and applied consistently and such judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31<sup>st</sup> March 2002 and of the Profit or Loss of the Company for the year ended on that date ;

III) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

IV) That the annual accounts have been prepared on a going concern basis.

### SICK INDUSTRIAL COMPANY & REFERENCE TO BIFR

The Company made a reference to The Board For Industrial and Financial Reconstruction (BIFR) under Section 15(1) of the Sick Industrial Companies (special provisions) Act, 1985 and the same has been registered with BIFR as case no 116/2001. BIFR has dismissed the reference of the company as being not maintainable on the ground that the Company was a SSI unit. The Company could not produce any proof to the contrary, as the relevant records are not accessible due to suspension of work and closure of all its premises. However in view of the investment of the Company in plant & machinery exceeding the limit of investment prescribed for SSI unit during the relevant period, the Directors are of the opinion that the Company was not a SSI unit though no records to this effect could be produced.

### REDEMPTION OF DEBENTURES & INTEREST THEREON

Due to continued liquidity/resource crunch as reported in the previous 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 has taken legal action against the company for recovery of dues. The management has been endeavoring to negotiate suitable payment terms with the Trustees by way of amicable settlement.

### REPAYMENT OF BANK LOAN

The Company negotiated a one time settlement with Canara Bank and paid all its debt due to the Bank by installments within 31.10.2001.

### CAPITAL EXPENDITURE

No capital expenditure during the year was incurred.



## Monotype India Limited

### AUDITORS OBSERVATION

With regard to the observations of the Auditors in their reports, 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 and development activities could be carried out due to suspension of work at Bangalore Factory where such research facilities are housed. No separate account of expenditure of R & D is maintained.

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

- On account of suspension of work and close down of activities in Bangalore Factory and all Regional Centers, information in respect of conservation of energy and technology absorption could not be furnished.
- Information regarding foreign exchange earning and out go is given in the Notes forming part of Accounts.

### PUBLIC DEPOSIT

During the year under review, there were no deposits accepted, matured and repaid.

### CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has directed in term of an amendment to the Listing Agreement with the Stock Exchange that listed Companies shall follow a uniform code of good Corporate Governance within the stipulated time frame which is applicable for your Company from the financial year 2002-2003. The Company has already initiated steps to meet of the requirement.

### LISTING AGREEMENT COMPLIANCE

In pursuance of clause 31 of the Listing Agreements, it is stated that the Company's Equity shares are listed at

- The Calcutta Stock Exchange Association Ltd., Calcutta.
  - The Stock Exchange, Mumbai.
- The Company has paid annual listing fee upto 1999-2000 to each of the above Stock exchange.

### 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

Sri Rajesh Jain retires from the Board by rotation and being eligible offers himself for reappointment.

### INDUSTRIAL RELATION

Due to suspension of work in Factory and other establishment from August 1999, all employees have

resigned from their services and received their statutory and other dues from the company. Hence, no further claim of the employees pending against 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 Investors, Company's Bankers and others for the co-operation and support received from them throughout the year.

On behalf of the Board

Place: Calcutta

RAJESH JAIN

Date : 24th August, 2001

CHAIRMAN

### ANNEXURE TO THE DIRECTORS' REPORT

#### Distribution of Equity Shareholding of Rs 10/- each as on 31<sup>st</sup> March 2002

##### (a) According to Category of Holding:

	Number of shares	% age
(i) Promoters	13,73,431	83.31
(ii) Mutual Fund & UTI	24,145	1.46
(iii) Nationalized Banks	14,000	0.85
(iv) Bodies Corporate	7,484	0.46
(v) Indian Public	2,29,436	13.92
Total	16,48,496	100.00

##### (b) According to number of holding

Number of Shares	Number of Shareholders	Number of Shares held	% of Shares
1 to 100	544	22021	1.33
101 to 500	469	105699	6.41
501 to 2000	100	83888	5.09
2001 to 10000	8	25512	1.55
10001 and above	8	1411376	85.62
Total	1129	1648496	100.00

On behalf of the Board

Place : Kolkata

Rajesh Jain

Date : 24<sup>th</sup> August 2002

Chairman



## Monotype India Limited

## BALANCE SHEET AS AT 31st MARCH 2002

	Schedule	31st March 2002 Rs	31st March 2001 Rs
<b>I. Source of Funds</b>			
Shareholders' Funds			
Share Capital	1	41,484,960	41,484,960
Reserves & Surplus	2	5,142,355	5,142,355
		<b>46,627,315</b>	<b>46,627,315</b>
<b>Loan Funds</b>			
Secured Loans	3	9,885,293	13,321,002
Unsecured Loans	4	14,728,563	17,108,563
		<b>24,613,856</b>	<b>30,429,565</b>
<b>Total</b>		<b>71,241,171</b>	<b>77,056,880</b>
<b>II. Application of Funds</b>			
<b>Fixed Assets</b>	5		
Gross Block		8,777,665	8,777,665
Less: Depreciation		6,088,359	5,822,917
Net Block		<b>2,689,306</b>	<b>2,954,748</b>
<b>Investments</b>	6	<b>9,750</b>	<b>122,250</b>
<b>Current Assets, Loans &amp; Advances</b>			
Sundry Debtors	7	5,375,176	9,535,206
Cash & Bank balances	8	134,801	143,555
Loans & Advances	9	3,096,510	4,136,615
		<b>8,606,487</b>	<b>13,815,376</b>
Less:			
<b>Current Liabilities and Provisions</b>			
Liabilities	10	5,891,374	6,339,919
Provisions	11	295,931	—
		<b>6,187,305</b>	<b>6,339,919</b>
<b>Net Current Assets</b>		<b>2,419,182</b>	<b>7,475,457</b>
<b>Profit and Loss account</b>	12	<b>66,122,933</b>	<b>66,504,425</b>
<b>Total</b>		<b>71,241,171</b>	<b>77,056,880</b>
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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.

On behalf of the Board

For **Lodha & Co.**  
Chartered Accountants

**P. L. Vadera**  
Partner

Place: Kolkata  
Date : 24th August 2002

Rajesh Jain Chairman  
Ashok Kumar Director  
Vivek V. Agarwalla Director  
S P Ghosh Secretary

Place: Kolkata  
Date : 24th August 2002



## Monotype India Limited

## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2002

		31st March 2002	31st March 2001
	Schedule	Rs	Rs
<b>INCOME</b>			
Sales Others		—	63,540
Commission		1,988,872	—
Other Income	13	421,883	2,314,255
<b>TOTAL</b>		<b>2,410,755</b>	<b>2,377,795</b>
<b>EXPENDITURE</b>			
Raw materials, finished goods etc.	14	—	—
Administrative & Other expenses	15	916,374	10,963,883
Loss on sale of Inventories		—	689,724
Depreciation	5	265,442	860,241
<b>TOTAL</b>		<b>1,181,816</b>	<b>12,513,848</b>
Profit /(Loss) for the year		1,228,939	(10,136,053)
Prior period adjustments		(400,000)	—
Income Tax for Earlier Years		151,516	—
Provision for deferred taxation		295,931	—
Profit / (Loss) after Tax		381,492	(10,136,053)
Add : Balance of Profit from Previous Year		(71,921,799)	(61,785,746)
Balance carried to Balance Sheet		(71,540,307)	(71,921,799)

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The schedules referred to above form an integral part  
of the Profit & Loss Account.

This is the Profit and Loss Account referred to in our  
Report of even date

For **Lodha & Co.**  
Chartered Accountants

**P. L. Vadera**  
Partner

Place: Kolkata  
Date : 24th August 2002

On behalf of the Board

Rajesh Jain	Chairman
Ashok Kumar	Director
Vivek V. Agarwalla	Director
S P Ghosh	Secretary

Place: Kolkata  
Date : 24th August 2002



## SCHEDULES FORMING PART OF THE BALANCE SHEET

	31st March 2002 Rs	31st March 2001 Rs
<b>SCHEDULE 1</b>		
<b>Share Capital</b>		
Authorised:		
25,00,000 Equity Shares of Rs.10 each	25,000,000	25,000,000
2,50,000 Preference Shares of Rs.100 each	25,000,000	25,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed and Paid-up:		
16,48,496 Equity Shares of Rs.10 each fully paid up (Previous Year - 16,48,496 equity shares)	16,484,960	16,484,960
2,50,000 1% Non-Cumulative Redeemable Preference Shares of Rs.100 each, fully paid-up (Previous Year - Rs. 2,50,000)	25,000,000	25,000,000
	<u>41,484,960</u>	<u>41,484,960</u>

Note :

Of the above -

- (i) 1,98,720 Equity Shares of Rs. 10 each were allotted as fully paid-up pursuant to a contract without payment being received in cash, and
- (ii) 54,000 Equity Shares of Rs. 10 were allotted as fully paid up bonus shares by way of capitalisation of General Reserve.
- (iii) The Preference Shares shall be redeemed at par at the end of 20 years from the date of allotment, i.e 30.03.2018. The Company has the option to however, redeem the shares at par at any time after the expiry of an initial period of 60 months from the date of allotment, i.e. after 30.03.2003 by giving the shareholders three months notice of its intention to do so.

	31st March 2002 Rs	31st March 2001 Rs
<b>SCHEDULE 2</b>		
<b>Reserves &amp; Surplus</b>		
Profit on reissue of forfeited shares	26,875	26,875
Revaluation Reserve	1,478,119	1,478,119
Debenture Redemption Reserve	3,637,361	3,637,361
	<u>5,142,355</u>	<u>5,142,355</u>