



MONOTYPE INDIA LIMITED

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**29TH ANNUAL REPORT
2003-2004**

**Directors**

RAJESH JAIN

Chairman

ASHOK KUMAR

V. V. AGARWALLA

Secretary

S.P.GHOSH

Auditors

LODHA & CO

Bankers

The Federal Bank Limited

ICICI Bank Limited

Registered Office

12, Government Place East

Kolkata - 700 069.

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **TWENTY NINTH ANNUAL GENERAL MEETING** of the Company will be held at the premises of Company's Workshop at 8 Waterloo Street, Kolkata 700 069 on Wednesday the 29th September, 2004 at 10 A.M. to transact the following business:

1. To receive, consider and adopt the accounts of the Company for the year ended 31st March, 2004 and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Sri Vivek Vardhan Agarwal 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,
Kolkata : 700 069.
Dated : 1st September, 2004

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 FORTY EIGHT 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 27th September, 2004 to 29th September, 2004 both day 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. The unclaimed dividends upto the Company's financial year ended on 31st March 1990 (there being no dividend thereafter) 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, Kolkata - 700 020.
Consequent upon the amendment of the existing Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, now the amount of dividend remaining unclaimed for a period of seven years from the date the same becoming due for payment shall be transferred to the Credit of "The Investor's Education & Protection Fund" of the Central Government.
6. Sri Vivek Vardhan Agarwalla (Age 37 Years) who retires by rotation at this meeting is an established businessman and have wide knowledge and experience in business at various level.



REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2004

The Directors present herewith the Annual Report with the Audited Accounts of the Company for the Financial Year ended 31st March 2004.

Financial Results : (Rupees in Lakh)

Particulars	Year to 31st March 2004	Year to 31st March 2003
Profit / (Loss) for the period before Depreciation and Taxation	83.94	1.27
Less Depreciation	0.07	2.37
Provision for Deferred Taxation	0.00	0.00
Income Tax for Earlier Year	0.04	0.00
Add Deferred tax for earlier year written back	2.95	0.00
Net Profit / (Loss)	86.78	(1.10)
Balance of Profit/(Loss) brought forward from the previous year	(716.50)	(715.41)
Balance Carried to Balance Sheet	(629.72)	(716.50)

PERFORMANCE

The total income of the Company was Rs.137.62 lacs as against Rs.8.97 lacs for the previous year. The Company has made a net profit of Rs.86.78 lacs as against a net loss of Rs.1.10 lacs for the previous financial year. The income during the year is mainly due to sale of assets and settlement of dues.

DIVIDEND

Due to accumulated loss in the books of accounts, the directors are not recommending any dividend on equity and preference shares of the Company.

OPERATIONS

The operations of Bangalore Factory and Regional offices remained closed during the period under review. Leasehold land of Bangalore factory was surrendered to the Landlord and building on leasehold land, plant & machinery, furniture, fitting and equipments were all disposed off. The trading activities of the Company, however, continued on a small scale from the Kolkata

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 31st March 2004 and its profit 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.

REDEMPTION OF DEBENTURES & INTEREST THEREON

The Company negotiated One Time Settlement terms with CanBank Mutual Fund and Unit Trust of India in respect of its dues on the redemption of secured non - convertible debentures with redemption premium and interest thereon and paid in full all its dues by instalments to CanBank Mutual Fund and Unit Trust of India.

AUDIT COMMITTEE

The Audit Committee, which was constituted pursuant to the provisions of Section 292A of the Companies Act, 1956 and the Listing Agreement has reviewed the Accounts for the year ended 31st March 2004.

MANAGEMENT DISCUSSION AND ANALYSIS

The operations of the Factory and all Regional Offices have remained closed during the period under review. The management have done investments /



trading activities in Shares / Securities. In view of uncertainty of manufacturing business in near future, the Board is unable to comment on the subject.

CAPITAL EXPENDITURE

No capital expenditure during the year was incurred.

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 close down of factory where R & D was located and there is no expenditure on R & D during the year.

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

- a) On account of suspension of activities in Bangalore Factory and all Regional Centers since 1999, information in respect of conservation of energy and technology absorption could not be furnished.
- b) No foreign exchange earning and out go were there during the year under review.

CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has directed in terms of an amendment to the Listing Agreement with the Stock Exchanges 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. A Report on Corporate Governance forms part of this Report.

LISTING AGREEMENT COMPLIANCE

In pursuance of clause 31 of the Listing Agreements, 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 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 Vivek Vardhan Agarwalla retires from the Board by rotation and being eligible offers himself for reappointment.

INDUSTRIAL RELATION

All employees have resigned from their services and received their statutory and other dues from the company. Hence, there is nothing to report on this subject.

AUDITORS

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

ACKNOWLEDGEMENT

The Directors wish to thank Shareholders, Debentureholders and others for the co-operation and support received from them throughout the year.

On behalf of the Board

Place: Kolkata

Date : 01st September 2004

Rajesh Jain
Chairman



ANNEXTURE TO THE DIRECTOR'S REPORT
REPORT ON CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreements with the Stock Exchanges and directions of SEBI, a Report on the Corporate Governance is given below:

1. Company's Philosophy:

The Company strongly believes in the value of transparency, professionalism and accountability in its dealings with the customers, shareholders, debenture holders and every body who comes in contact with the company.

2. Board of Directors

- The Board consists of three Directors as on 31st March 2004 all of whom are Non-Executive and Independent. The details are given below:

Name	Category	Attendance Particulars		No of Directors & Committee Members / Chairmanship held in other Public Companies in India
		Board Meetings	Last AGM	
Sri Rajesh Jain (Chairman)	I & NED	8	YES	NIL
Sri Ashok Kumar	I & NED	8	YES	NIL
Sri V V Agarwalla	I & NED	8	YES	NIL

Note: I: Independent Director, NED: Non-Executive Director

The Board of Directors met eight times during the year on 07.04.2003, 12.06.2003, 07.07.2003, 16.08.2003, 01.09.2003, 12.11.2003, 30.01.2004 and 31.03.2004.

Remuneration of Directors: Sitting fees, salary & perquisite :

None of the Directors (being Independent and Non-executive) draw any sitting fee or salary & perquisites from the Company.

The Board has constituted two Committees – Audit Committee and Investors/Share holders Grievance Committee.

3. Audit Committee:

The Audit Committee comprises of Non executive and Independent Directors. Sri Rajesh Jain is the Chairman of the committee, Sri Ashok kumar and Sri V V Agarwalla are the other members of the Committee. The Statutory Auditors are invited to the meetings. The Company Secretary acts as the Secretary to the Committee.

The terms of the reference of this Committee cover the matters specified for Audit Committee under clause 49 of the Listing Agreement with the Stock Exchanges as well as Section 292 A of the Companies Act, 1956.

During the year 2003-04, three meetings of the Audit Committee were held on 1st September 2003, 30th January 2004 and 31st March 2004. All the members of the Committee attended the said meetings.

4. Remuneration Committee:

The Company has not set up Remuneration Committee since all the Directors are Independent & Non Executive and do not draw any fee or remuneration from the Company for their services.



5. Investors/Shareholders grievance Committee

The Committee functions under Chairmanship of Sri Rajesh Jain, a Non Executive Director and the other members of the committee are Sri Ashok Kumar and Sri V V Agarwalla who are also Non Executive and Independent Directors.

The Committee inter-alia , approves issue of duplicate share certificates, oversees and reviews all matters connected with the security transfer. The committee also looks after redressing of shareholders complaints like transfer of shares, non receipt of balance sheet etc. Sri S P Ghosh is the Compliance Officer of the Company.

Three meetings of the committee were held on 1st September 2003, 30th January 2004 and 31st March 2004. All the members of the Committee attended the meetings.

During the year 2003 / 2004 no complaint was received from the shareholders.

This company had no transfer pending at the close of the financial year.

The Board of Directors have delegated the power for approving the transfer of securities to the Chairman and the Company Secretary.

General Body Meeting.

Location and other details of last three AGMs:

Financial Year	Date	Loaction	Time	Special Resolution	Postal Ballot
2000-2001	29.09.01	Monotype India Ltd., Workshop, 8 Waterloo Street Kolkata – 700 069	11 AM	NO	NO
2001-2002	28.09.02	- DO -	11 AM	NO	NO
2002-2003	29.09.03	- DO -	11 AM	NO	NO

Postal Ballot:

In terms of Section 192A of the Act, Notice and Postal Ballot Forms have been dispatched to the members seeking their consent (a) by special resolution under 372A of the Act, to enable the Company to invest in shares of other bodies corporate and (b) by ordinary resolution under Section 293(1)(a) of the Act for transfer by way of sale or otherwise dispose of the Company's properties at Bangalore. Sri Sunil Kumar Agarwal Practicing Chartered Accountant has been appointed as scrutinizer of the postal ballot. The result of the postal ballot will be declared by the Chairman on 29th September 2004 at the Annual General Meeting of the Company.

Disclosure:

There are no materially significant related party transactions other than as disclosed in Notes 15 of Schedule 16 made by the Company of material nature with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the company at large.

There were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authority for non-compliance of any matter related to the capital markets during the last three years.

Means of Communication:

- (a) Quarterly and Half yearly Results are not prepared as production and sales activities of the Company are suspended since 1999.



Monotype India Limited

- (b) Annual Audited Results are sent to the shareholders at their registered address along with the notice of the Annual General Meeting.
- (c) The Company has no Website.
- (d) There is no necessity for the company displaying office news release and making presentations to institutional investors or to analysts.

General shareholder Information:

- AGM : Date, time & Venue : 29th September 2004, Time 10 AM, (Company's workshop) at 8, Waterloo Street, Ground Floor, Kolkata -700 069
- Financial Calender : - Financial Year 1st April to 31st March.
- Result for the year ending 31st March – Normally August.
- Date of Book closure : 27th September to 29th September 2004 (both days inclusive)
- Dividend Payment Date : Nil due to accumulated Loss
- Listing on Stock Exchanges : Kolkata & Mumbai Stock Exchanges. The Company has paid listing fees upto period 1st April 1999 to 31st March 2000.
- Stock Code : N.A.
- ISIN Number for CDSL : INE 811D01016
- Stock Market Data : N.A. No transaction recorded in Listed Stock Exchanges viz; Kolkata Stock Exchange (Regional Exchange) and Mumbai Stock Exchange.
- Registration & Share Transfer Agent For Physical and Demat : Niche Technologies Pvt Ltd.
C – 444 Bagree Market
71, Brabourne Road, Kolkata – 700 001
- Share Transfer System : All share transfers receive are processed, registered and returned within 30 days from the date of lodgement, if documents are complete in all respects.
- Dematerialization of shares : 1.48% of equity shares have been Dematerialized as on 31st March 2004.
- Distribution of Shareholding :

Distribution of Equity Shareholding as on 31st March 2004

(a) According to Category of Holding :

	<u>Number of shares</u>	<u>% age</u>
(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


Monotype India Limited
(b) According to number of holding

<u>Number of Shares</u>	<u>Number of Shareholders</u>	<u>Number of Sharesheld</u>	<u>% of Shares</u>
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

- Outstanding GDRs/ADRs/
Warranty or any convertible
Investment, conversion date
and likely impact on equity : NIL
- Plant Location : The Company's plant was located at 27th Cross,
Banashankari II stage, Bangalore – 560 070,
Karnataka.(now completely Closed Down and
disposed off)
- Address for Correspondence : The Company Secretary, Monotype India Ltd.
C/O R N Enterprises Abhinandan, Ground
Floor, 16 Royd Street, Kolkata – 700 016
- Non Mandatory Requirements : The Company has not adopted non
mandatory requirements as mentioned in
Clause 49 of the Listing Agreement.

On behalf of the Board

Place : Kolkata

Date : 01st September 2004

Rajesh Jain
Chairman

AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To The Members of **MONOTYPE INDIA LTD.**

We have examined the compliance of the condition of corporate governance by Monotype India Limited for the year ended 31st March 2004 as stipulated in clause 49 of the listing agreement of the said company with stock exchange(s).

The compliance of condition of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that having regard to our observations as given in the Auditors Report on the Annual accounts of the company for the year ended 31st March 2004, the company has complied with the condition of Corporate Governance as stipulated in the above listing agreement except that:

- a. The Shareholders / Investors Grievances Committee has been unable to meet fortnightly during the year.
 - b. The Quarterly and Half yearly results have not been prepared / disclosed by the Company.
- We state that no Investors Grievances are pending for a period exceeding one month, against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Lodha & Co.
Chartered Accountants

Aditya Saraogi
Partner

Place: Kolkata

Date : 1st September, 2004

Membership NO.54643



Monotype India Limited

BALANCE SHEET AS AT 31st MARCH 2004

Schedule		31st March 2004 Rs	31st March 2003 Rs
I. SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	1	41,484,960	41,484,960
Reserve & Surplus	2	26,875	5,142,355
		41,511,835	46,627,315
Loan Funds			
Secured Loan	3	0	7,335,293
Unsecured Loan	4	11,466,886	20,218,285
		11,466,886	27,553,578
Total		52,978,721	74,180,893
II. APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		318,000	8,777,664
Less : Depreciation		173,203	6,325,387
Net Block		144,797	2,452,277
Investments	6	1,988,008	2,835,135
Current Assets, Loans & Advances			
Sundry Debtors	7	63,173	3,886,191
Cash & Bank balances	8	124,477	225,862
Loans & Advances	9	3,428,748	4,289,313
		3,616,398	8,401,366
Less : Current Liabilities & Provision			
Liabilities	10	5,209,898	5,444,637
Provisions	11	0	296,211
		5,209,898	5,740,848
Net Current Assets		(1,593,500)	2,660,518
Profit & Loss account	12	52,439,416	66,232,963
Total		52,978,721	74,180,893
III. NOTES TO ACCOUNTS			
	16		

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

Aditya Saraogi
Partner

Place: Kolkata
Date : 1st September, 2004

On behalf of the Board

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

Place: Kolkata
Date : 1st September, 2004