



# **MONOTYPE INDIA LIMITED**

**34TH ANNUAL REPORT  
2008 - 2009**



**Directors**

RAJESH JAIN  
*Chairman*

ASHOK KUMAR  
V. V. AGARWALLA

**Secretary**

S. P. Ghosh

**Auditors**

PATNI & CO.

**Bankers**

The Federal Bank Limited

**Registered Office**

27, AB Royd Street  
Kolkata - 700 016

**Registrar and Share Transfer Agent**

Niche Technologies Pvt. Ltd.  
D – 511, Bagree Market, 5<sup>th</sup> Floor  
71, B R B Basu Road  
Kolkata – 700 001

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**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the Thirty Fourth Annual General Meeting of the Company will be held at the Company's Workshop at 8 Waterloo Street, Kolkata 700 069 on Thursday, the 20<sup>th</sup> August 2009 at 10 A.M. to transact the following business:

1. To receive, consider and adopt the accounts of the Company for the year ended 31<sup>st</sup> March 2009 and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Sri Ashok Kumar who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration and for this purpose to consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

RESOLVED that M/s Patni & Co., Chartered Accountants be and are hereby appointed Auditors of the Company and to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration plus reimbursement of out of pocket expenses for conducting the Audit as may be agreed upon between the Auditors and the Board of Directors of the Company.

**Registered Office:**  
27 AB Royd Street,  
Kolkata: 700 016

By Order of the Board

**S.P. Ghosh**  
*Company Secretary*

Dated: 18<sup>th</sup> June 2009



**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 18 August 2009 to 20 August 2009 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. Pursuant to provisions of Section 205A read together with Section 205C of the Companies Act 1956 dividends etc for the financial year ended 31<sup>st</sup> March 2000 and thereafter which will remain unpaid or unclaimed for a period of seven years will be transferred to the credit of "The Investor's Education & Protection Fund" of the Central Government. It may be noted that under the Act, once the unclaimed dividend amount is transferred, no claim shall lie in respect of such amount. Our Company has not paid any dividend from the financial year ended 31<sup>st</sup> March 1999 and thereafter.
6. Sri. Ashok Kumar (Age 62 Years), who retires by rotation at this meeting, is an established Businessman and has wide knowledge and experience in business at various levels.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009**

The Directors present herewith the Annual Report with the Audited Accounts of the Company for the Financial Year ended 31<sup>st</sup> March 2009.

**Financial Result : ( Rupees in Lakh )**

Particulars	Year to 31 <sup>st</sup> March 2009	Year to 31 <sup>st</sup> March 2008
Profit/(Loss) for the period Before Depreciation and Taxation	5.78	30.86
Less : Depreciation	0.00	0.00
Provision for Income Tax	(.59)	(3.12)
Net Profit/(Loss)	5.19	27.74
Balance of Profit / (Loss) brought forward from the previous year	(552.02)	(579.75)
Balance Carried to Balance Sheet	(546.83)	(552.02)

**PERFORMANCE**

The total income of the Company was Rs. 8.18 lacs as against Rs. 43.47 lacs for the previous year. The Company has made a net profit of Rs. 5.19 lacs as against Rs. 27.74 lacs for the previous financial year. The income during the year is mainly due to limited trading activities through agency and investment in shares/securities.

**RISK MANAGEMENT**

The company has identified the following areas for risk management:-

1. Share trading/investments
2. Loans given to bodies corporate

Investments in shares are mostly made through professional Portfolio Managers and have been yielding high returns since the beginning. The investments continued to give above average returns during the financial year.

Loans are extended to various bodies corporate are monitored continuously by the management as to the receipt of interest and repayment of principal amount.

**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 manufacturing operations of the company remained closed during the period under review.

**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 2009 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.

**AUDIT COMMITTEE**

The Audit Committee, which was constituted pursuant to the provisions of Section 292A of the Companies Act, 1956 and the Listing Agreements has reviewed the Accounts for the year ended 31<sup>st</sup> March 2009.



**MANAGEMENT DISCUSSION AND ANALYSIS**

The manufacturing operations of the company 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 to the Balance Sheet, Profit & Loss Account and notes to the Accounts are self-explanatory and do not call for any further comments from the Directors.

**RESEARCH AND DEVELOPMENT**

Not applicable at present as the company is not engaged in manufacturing activities.

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

- a) Not applicable at present as the company is not engaged in manufacturing activities.
- b) No foreign exchange earning and out go were there during the year under review.

**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., Kolkata.

- ii) The Bombay Stock Exchange Ltd., Mumbai.

- (b) The Company has paid annual listing fee upto 2009-2010 to The Calcutta Stock Exchange and upto 2008-09 to The Bombay Stock Exchange Ltd.

**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 Ashok Kumar retires from the Board by rotation and being eligible offers himself for reappointment.

**INDUSTRIAL RELATIONS**

All employees have resigned from their services in 1999 and received their statutory and other dues from the company. Hence, there is nothing to report on this subject.

**CORPORATE GOVERNANCE**

Corporate Governance Report as well as Corporate Governance Compliance Certificate are provided as separate Annexure to the report.

**AUDITORS**

M/s Patni & 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 Shareholders and others for the co-operation and support received from them throughout the year.

On behalf of the Board

Place : Kolkata  
Date : 18<sup>th</sup> June 2009

**Rajesh Jain**  
Chairman



**ANNEXURE TO THE DIRECTORS' REPORT**  
**REPORT ON CORPORATE GOVERNANCE**

Pursuant to clause 49 of the Listing Agreements with the Stock Exchanges and directions of SEBI, a Report on 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 customers, shareholders and every body who comes in contact with the company.

**2. Board of Directors**

The Board consists of three Directors as on 31<sup>st</sup> March 2009 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	7	YES	NIL
Sri. Ashok Kumar	I & NED	7	YES	NIL
Sri. V V Agarwalla	I & NED	7	YES	NIL

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

The Board of Directors met seven times during the year on 07.04.2008, 30.06.2008, 30.07.2008, 08.09.2008, 01.10.2008, 13.10.2008 and 12.01.2009.

The Board of Directors is routinely presented with all information under clause 49 of the Listing Agreement wherever applicable and materially significant by way of mention by the Chairman in the Board Meeting.

**Code of Conduct:**

The Company has laid down a code of conduct for all of its Board Members and Senior Management Personnel for avoidance of conflict of interest. It has received from all of them the necessary declarations affirming compliance with it during the period.

**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 reference of this Committee cover 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 2008-09, four meetings of the Audit Committee were held on 30.06.2008, 30.07.2008, 13.10.2008 and 12.01.2009. 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/Independent 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 transfer of securities. The Committee also looks after redressal of shareholders' complaints like transfer of shares, non receipt of balance sheet etc. Sri. S. P. Ghosh is the Compliance Officer of the Company.

Four meetings of the Committee were held on 30.06.2008, 30.07.2008, 13.10.2008 and 12.01.2009. All the members of the Committee attended the meetings.

During the year 2008-2009 no complaint was received from shareholders and no complaint is pending.

The 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	Location	Time	Special Resolution	Postal Ballot
2005-2006	27.09.06	Monotype India Ltd., Workshop, 8 Waterloo Street, Kolkata – 700 069	10 AM	No	Yes
2006-2007	27.09.07	– Do –	10 AM	No	Yes
2007-2008	21.08.08	– Do –	10 AM	No	No

#### **Postal Ballot:**

Presently there is no proposal for passing Resolution through Postal Ballot at the ensuing Annual General Meeting.



**Disclosure regarding reappointment of Directors**

Sri. Ashok Kumar (Age 62 Years), who retires by rotation at this meeting, is an established Businessman and has wide knowledge and experience in business at various levels.

**Disclosure:**

There are no materially significant related party transactions other than as disclosed in Note 6 of Schedule 13 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 Financial Results are prepared and submitted to the Stock Exchanges in accordance with the Listing Agreements and also published in English and Bengali newspapers.
- (b) Annual Audited Results are sent to the shareholders at their registered address along with the notice of the Annual General Meeting and also published in English and Bengali daily newspaper.
- (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.
- (e) The report of the Directors forming part of the Report and Accounts includes all aspects of the Management Discussion And Analysis Report.

**General shareholder Information :**

- AGM : Date, time & Venue : 20<sup>th</sup> August 2009, Time 10 AM  
(Company's workshop) at  
8, Waterloo Street, Ground Floor  
Kolkata – 700 069
- Financial Calender : - Financial Year 1<sup>st</sup> April to 31<sup>st</sup> March.  
- Result for the year ending 31<sup>st</sup> March – Normally August.
- Date of Book closure : 18<sup>th</sup> August to 20<sup>th</sup> August 2009  
(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 2009-2010 to CSE and 2008 - 2009 to BSE.
- Stock Code : Not Available.
- ISIN Number for CDSL : INE 811D01016
- Stock Market Data : Not Available (No transaction recorded in Listed Stock Exchanges viz; Kolkata Stock Exchange (Regional Exchange) and Mumbai Stock Exchange.
- Registrar & Share Transfer Agent for Physical and Demat Shares : Niche Technologies Pvt. Ltd.  
D – 511 Bagree Market, 5<sup>th</sup> Floor,  
71, BRB Basu Road,  
Kolkata – 700 001



- Share Transfer System : All share transfers received are processed, registered and returned within 30 (thirty) days from the date of lodgement, if the documents are complete in all respects
- Dematerialization of shares : 85.81% of equity shares have been Dematerialized as on 31<sup>st</sup> March 2009.

● **Distribution Of Shareholding :**

**Distribution of Equity Shareholding as on 31<sup>st</sup> March 2009**

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

	<u>Number of Shares</u>	<u>% age</u>
1. Promoters	1,223,231	74.20
2. Mutual Fund & UTI	24,145	1.46
3. Nationalized Banks	14,000	0.85
4. Bodies Corporate	158,675	9.63
5. Indian Public	228,445	13.86
<b>Total</b>	<b><u>1,648,496</u></b>	<b><u>100.00</u></b>

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

<u>Number of Shares</u>	<u>Number of Shareholders</u>	<u>Number of Shares held</u>	<u>% of Shares</u>
1 to 100	544	22,021	1.34
101 to 500	463	104,508	6.34
501 to 2000	101	85,079	5.16
2001 to 10000	8	25,512	1.55
10001 and above	8	1,411,376	85.61
<b>Total</b>	<b><u>1,124</u></b>	<b><u>1,648,496</u></b>	<b><u>100.00</u></b>

- Outstanding GDRs / ADRs / Warranty or any convertible Investment, conversion date and likely impact on equity : NIL
- Plant Location : NIL. Not applicable at present as the company is not engaged in manufacturing activities.
- Address for Correspondence : The Company Secretary Monotype India Ltd.  
Registered office:  
27 AB 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 : 18<sup>th</sup> June 2009

**Rajesh Jain**  
Chairman



**DECLARATION BY THE CHAIRMAN**

This is to certify that :

1. In pursuance of the provisions of clause 49(I)(D) of the Listing Agreements, a Code of Conduct for the Company has been approved by the Board in its meeting held on 26<sup>th</sup> April 2007.
2. The said Code of Conduct has been circulated to Board Members and Senior Management personnel of the Company.
3. All of them have affirmed having complied with the said Code of Conduct for the year ended 31<sup>st</sup> March 2009.

Place : Kolkata  
Date : 18<sup>th</sup> June 2009

**Rajesh Jain**  
*Chairman*  
*Board of Directors*



**CERTIFICATION BY THE CHAIRMAN, BOARD OF DIRECTORS**

We hereby certify that:

- a) We have reviewed financial statements and cash flow statement of M/s Monotype India Ltd. for the year ended 31<sup>st</sup> March, 2009 and that to the best of our knowledge and belief:
- i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee
- i) There have been no significant changes in internal control over financial reporting during the year;
  - ii) There have been no significant changes in accounting policies during the year; and
  - iii) There have been no instances of significant fraud of which we have become aware and that the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Place : Kolkata  
Date : 18th June 2009

**Rajesh Jain**  
*Chairman*  
*Board of Directors*



**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

**TO THE MEMBERS OF MONOTYPE INDIA LIMITED**

We have examined the compliance of conditions of Corporate Governance by Monotype India Limited, for the year ended on 31<sup>st</sup> March 2009 as stipulated in clause 49 of Listing Agreement of the said Company with the Stock Exchanges.

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 condition 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 explanation given to us and the representation made by the directors and the management, we certify that having regard to our observation as given in the Auditors report on the Annual Accounts of the company for the year ended 31<sup>st</sup> March, 2009 the company has complied with the condition of Corporate Governance as stipulated in the above-mentioned Listing Agreement except that:

The Shareholders / Investors Grievances Committee has been unable to meet fortnightly during the year.

As per the representation received from the company as on 31<sup>st</sup> March 2009 no investor grievance is pending for a period exceeding one month against the company.

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

For **PATNI & CO.**  
*Chartered Accountants*

**Sashi Sureka**  
*Partner*

Place : Kolkata  
Date : 18th June 2009

Membership No. 57918

**BALANCE SHEET AS AT 31ST MARCH 2009**

	Schedule	31st March 2009		31st March 2008	
		Rs	Rs	Rs	Rs
<b>SOURCES OF FUNDS</b>					
Shareholders' Fund :					
Share Capital	1	41,484,960		41,484,960	
Reserve & Surplus	2	26,875	41,511,835	26,875	41,511,835
<b>Loan Funds :</b>					
Unsecured Loan	3	3,416,886	3,416,886	17,516,886	17,516,886
<b>Total</b>			<b>44,928,721</b>		<b>59,028,721</b>
<b>APPLICATION OF FUNDS :</b>					
Investments	4		697,068		881,603
<b>Current Assets, Loans &amp; Advances :</b>					
Cash & Bank balances	5	79,417		9,071,885	
Loans & Advances	6	641,394		5,154,016	
		720,811		14,225,901	
Less : Current Liabilities & Provision :					
Liabilities	7	267,536		405,617	
Provisions	8	371,512		342,323	
		639,047		747,940	
<b>Net Current Assets</b>			<b>81,764</b>		<b>13,477,962</b>
<b>Profit &amp; Loss account</b>	9		<b>44,149,889</b>		<b>44,669,156</b>
<b>Total</b>			<b>44,928,721</b>		<b>59,028,721</b>
<b>III. NOTES TO ACCOUNTS</b>	13				

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 **Patni & Co**  
Chartered Accountants

**Sashi Sureka**  
Partner  
Membership No. 57918  
Place : Kolkata  
Date : 18th June 2009

On behalf of the Board

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

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009**

	Schedule	31st March 2009 Rs	31st March 2008 Rs
<b>INCOME :</b>			
Commission		790	236
Profit on Sale of Shares & Securities	10	134,919	3,058,831
Other Income	11	682,438	1,287,984
Total		<u>818,147</u>	<u>4,347,051</u>
<b>EXPENDITURE :</b>			
Administrative & Other Expenses	12	239,688	1,261,388
Total		<u>239,688</u>	<u>1,261,388</u>
Profit / (Loss) for the year		578,459	3,085,663
Provision for Income tax		(59,193)	(312,319)
Profit / ( Loss ) after Tax		519,267	2,773,344
Add : Balance of Profit from Previous Year		(55,202,010)	(57,975,354)
Balance carried to Balance Sheet		<u>(54,682,743)</u>	<u>(55,202,010)</u>
Earning Per Share (Basic & Diluted) (Note No. 9 of Schedule 14)		0.31	1.68

**NOTES TO ACCOUNTS**

13

The schedule referred to above form an integral part of the Profit & Loss account.

This is the Profit & Loss Account referred to in our report of even date.

*For Patni & Co*  
*Chartered Accountants*

**Sashi Sureka**  
*Partner*  
*Membership No. 57918*

Place : Kolkata  
Date : 18th June 2009

**On behalf of the Board**

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



**SHCHEDULES FORMING PART OF THE BALANCE SHEET**

	31st March 2009 Rs	31st March 2008 Rs
<b>SCHEDULE – 1</b>		
<b>Share Capital</b>		
Authorised :		
25,00,000 Equity Shares of Rs.10/- each	<b>25,000,000</b>	25,000,000
2,50,000 Preference Shares of Rs.100/- each	<b>25,000,000</b>	25,000,000
	<b><u>50,000,000</u></b>	<b><u>50,000,000</u></b>
<b>Issued, Subscribed &amp; Paid up :</b>		
16,48,496 Equity Shares of Rs.10/- each fully paid-up (Previous Year - 16,48,496 Equity Share)	<b>16,484,960</b>	16,484,960
2,50,000 1% Non-Cumulative Redeemable Preference Shares of Rs.100/- each, fully paid-up (Previous Year - 2,50,000)	<b>25,000,000</b>	25,000,000
	<b><u>41,484,960</u></b>	<b><u>41,484,960</u></b>

**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 each 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 month notice of its intention to do so.

**SCHEDULE – 2**

**Reserve & Surplus**

Surplus on reissue of forfeited shares

<b>26,875</b>	26,875
<b><u>26,875</u></b>	<b><u>26,875</u></b>
<b>SCHEDULE – 3</b>	
<b>Unsecured Loan :</b>	
Intercorporate Deposits	<b>3,416,886</b>
(Repayable within 1 Year Rs. 34,16,886/-, Previous Year Rs.1,75,16,886/-)	17,516,886
<b><u>3,416,886</u></b>	<b><u>17,516,886</u></b>





## SCHEDULE FORMING PART OF THE BALANCE SHEET

## SCHEDULE – 4

## INVESTMENTS :

## A. INVESTMENTS - LONG TERM ( At cost )

		As on 31.03.2008		As on 31.03.2009					
Name of the Company	Face Value (Rs)	Opening Nos.	Amount	Purchases Nos.	Amount	Sales Nos.	Amount	Closing Nos.	Amount
<b>Other than Trade Quoted</b>									
GKW Ltd	10	9500	398455	0	0	0	0	9500	398455
Plethico Pharmaceuticals Ltd.	10	750	298613	0	0	0	0	750	298613
<b>Total (A)</b>			<b>697068</b>		<b>0</b>		<b>0</b>		<b>697068</b>



**SCHEDULE FORMING PART OF THE BALANCE SHEET**

**B1. INVESTMENTS : CURRENT (Net of Diminution)**

Name of the Company	Face Value	As on 31.03.2008				As on 31.03.2009			
		Opening	Purchases	Sales	Closing				
a. Equity Shares (fully paid up) Anil Products Ltd.	10	1700	184535	0	0	1700	297048	0	0
<b>Sub Total (B.1)</b>			<b>184535</b>		<b>0</b>		<b>297048</b>		<b>0</b>
<b>B.2 Mutual Fund</b>									
IDFC Mutual Fund (earlier Standard Chartered)					8500000		8500000		0
Reliance Mutual Fund					7600000		7622406		0
<b>Sub Total (B.2)</b>			<b>0</b>		<b>16100000</b>		<b>16122406</b>		<b>0</b>
<b>Total B</b>			<b>184535</b>		<b>16100000</b>		<b>16419454</b>		<b>0</b>
<b>Total (A+B)</b>			<b>881603</b>		<b>16100000</b>		<b>16419454</b>		<b>697068</b>

Aggregate Book Value of Quoted Investments	697068
Aggregate Book Value of Unquoted Investments	0
Aggregate Market Value of Quoted Investments	342188

**SHCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
<b>SCHEDULE – 5</b>		
<b>Cash &amp; Bank Balances</b>		
Balances with scheduled banks - In Current Account	<u>79,417</u>	9,071,885
	<u>79,417</u>	<u>9,071,885</u>
<b>SCHEDULE – 6</b>		
<b>Loans &amp; Advances</b>		
(Unsecured & Considered good)		
Loans to Bodies Corporate		
Deposits	0	4,512,391
T.D.S	111,780	39,235
	<u>529,614</u>	602,390
	<u>541,394</u>	<u>5,154,016</u>
<b>SCHEDULE – 7</b>		
<b>Liabilities</b>		
Sundry Creditors	116,857	142,063
Other liabilities	150,679	263,554
	<u>267,536</u>	<u>405,617</u>
<b>SCHEDULE – 8</b>		
<b>Provisions</b>		
Provision for Taxation	371,512	342,323
	<u>371,512</u>	<u>342,323</u>
<b>SCHEDULE – 9</b>		
<b>Profit &amp; Loss Account</b>		
Debit balance in Profit & Loss A/c	54,682,743	55,202,010
Less:		
General Reserve	10,532,854	10,532,854
	<u>44,149,889</u>	<u>44,669,156</u>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT**

	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
<b>SCHEDULE – 10</b>		
<b>Profit on Sale of Shares &amp; Securities</b>		
a. ( Current Investments — Trade )		
Opening Stock of Securities		
– Shares	184,535	
– Mutual Funds	0	2,772,081
Add : Purchase of Securities		
– Shares	0	
– Mutual Funds	16,100,000	15,362,311
	<u>16,100,000</u>	<u>15,362,311</u>
	16,284,535	18,134,392
Less : Sale of Securities		
– Shares	297,048	
– Mutual Funds	16,122,406	18,272,994
	<u>16,122,406</u>	<u>18,272,994</u>
	134,919	138,602
Less : Closing		
– Shares	0	
– Mutual Funds	0	184,535
	<u>0</u>	<u>184,535</u>
Sub total - a	134,919	323,137
b. ( Long term Investments )		
Profit on sale of long term Investments - Shares	0	2,513,228
- Mutual Funds	0	222,466
	<u>0</u>	<u>2,735,694</u>
Sub total - b	0	2,735,694
<b>Total - a + b</b>	<u>134,919</u>	<u>3,058,831</u>
<b>SCHEDULE – 11</b>		
<b>Other Income</b>		
Interest (Gross) (TDS Rs. 122720/-; PY-Rs.211592/-)	616,416	970,510
Dividend Income- On Current Investments	0	53,440
Dividend Income- On Long Term Investments	3,775	0
Share Speculation Profit	0	103,857
Bill Discounting Charges (TDS Rs. 12822/-; PY-Rs. 32960/-)	62,247	160,000
Miscellaneous Income	0	177
	<u>682,438</u>	<u>1,287,984</u>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT**

	<b>As at 31st March 2009 Rs.</b>	<b>As at 31st March 2008 Rs.</b>
<b>SCHEDULE – 12</b>		
<b>Administrative and Other Expenses</b>		
Auditor's Remuneration (including Service Tax)	<b>11,030</b>	11,236
Auditor's Remuneration in other capacity	<b>3,372</b>	0
Bad debts/advances written off net	<b>0</b>	859,369
Depository Charges	<b>4,495</b>	12,147
Legal & Professional fee	<b>29,970</b>	11,950
Miscellaneous expenses	<b>128,884</b>	144,708
Rates & Taxes	<b>6,725</b>	8,800
Rent	<b>21,120</b>	21,120
Travelling Expenses	<b>34,092</b>	192,058
	<b><u>239,688</u></b>	<b><u>1,261,388</u></b>

**SCHEDULE – 13**
**NOTES TO ACCOUNTS**
**A. The Significant accounting policies are summarized below:**
**a. BASIS OF ACCOUNTING**

The company prepares its accounts on accrual basis, except otherwise stated, in accordance with the generally accepted accounting policies.

**b. INVESTMENTS**

Long-term investments are stated at cost less provision for diminution other than temporary, if any. Current investments are stated at cost or market / fair value whichever is lower.

**c. INCOME TAX**

Provision for tax is made for current, deferred and fringe benefit taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent periods and recognised using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets are only to be recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. In case of the carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is “virtual certainty” that deferred tax assets can be realised against future taxable profits.

**d. PROVISION, CONTINGENT LIABILITIES AND ASSETS**

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of note on the accounts. Contingent assets are not recognized or disclosed in the financial statements. A provision is recognized when an enterprise has a present obligation as a result of past event(s) and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation(s), in respect of which a reliable estimate can be made for the amount of obligation.

**B. Notes On Accounts :**

1. Contingent liabilities in respect of:	<b>As at</b>	As at
	<b><u>31.03.09</u></b>	<b><u>31.03.08</u></b>
Excise liability under dispute	<b>16,34,397</b>	16,34,397

The above figures represent the amount as on 31.03.1999, since the updated figures as on 31.03.2009 are not available.

2. The operations of the manufacturing units of the Company at Bangalore had been suspended from 01.08.1999 subsequently closed and disposed off. Further, the marketing and other Offices of the Company have also been closed and have become non operational. Earlier The various credit balances details retrieved prior to the suspension of operations and such other adjustments as considered necessary by the management are taken on the basis of available records. The balances compiled was not reconciled with the primary and secondary records since various supporting and other related details were not accessible and these records could not be made available for verification.
3. There are no dues due to the small scale and ancillary industrial undertakings.
4. As the manufacturing units of the company at Bangalore had been closed, the management is exploring possibilities of other business activities. Pending utilization of funds in other business activities, these have been deployed temporarily in Shares & Securities / Loans and advances. In the opinion of the management, the company as such has not undertaken any activity meant for Non-Banking Financial Companies as its business operations, requiring adherence to the requirement of various directions issued by Reserve Bank Of India for Non-Banking Financial Companies.
5. The accumulated losses of the company are in excess of its net worth. The management is exploring possibility of other business activities for the company, and accordingly, the accounts have been prepared on the basis that the Company is a going concern.
6. Related party disclosure in accordance with Accounting Standard 18 issued by the Institute of Chartered Accountants of India:
  - a. Names of Related parties and description of relationship  
Associate Company – Jalan Chemical Industries Private Limited
  - b. Nature of transaction with the related party Associate Company:

Payment of Unsecured Loan	—	Rs. 2,24,50,000/-
Unsecured Loan Taken	—	Rs. 83,50,000/-
Amount outstanding at year-end	—	Rs. 34,16,886/-
  - c. The above related party information has been disclosed to the extent such parties have been identified by the management on the basis of information available. This has been relied upon by the Auditors.
7. The operation of the company had been closed since 01-08-1999 (Refer Note No. 2 of Notes on Accounts), therefore the surplus funds are deployed in deposits and investments and that is the only reportable segment as specified in Accounting Standard 17 issued by The Institute of Chartered Accountants of India.



8. Earnings Per Share (EPS):

	<b>Year ended Mar 31,2009</b>	Year ended Mar 31,2008
- Profit after tax (Rs.)	<b>5,19,267/-</b>	27,73,344/-
- Profit attributable to Equity Shareholders (Rs.) - (A)	<b>5,19,267/-</b>	27,73,344/-
- Basic/Weighted average number of Equity Shares outstanding during the year - (B)	<b>1648496</b>	1648496
- Nominal value of Equity Shares (Rs.)	<b>10.00</b>	10.00
- Basic / Diluted Earnings per Shares (Rs.) - (A) / (B)	<b>0.31</b>	1.68

Preference shares being non cumulative the Earning per share has been computed without considering the dividend on preference shares. Accordingly the Earning Per Share of previous year has been shown on the same basis.

9. a. Provision for current tax has been made as per the provisions of the Income Tax Act, 1961.
- b. The Company has significant amount of carry forward losses and depreciation under the Income Tax Act. However as a matter of prudence deferred tax assets arising on account of the same has not been created by the management.

	<b>31<sup>st</sup> March 2009 Value (Rs)</b>	31 <sup>st</sup> March 2008 Value (Rs)
10. Expenditure in Foreign Currency		
Travelling	<b>NIL</b>	1,83,058/-

For **Patni & Co.**  
*Chartered Accountants*

**Sashi Sureka**  
*Partner*

Place : Kolkata

Date : 18th June 2009

**On behalf of the Board**

<b>Rajesh Jain</b>	<i>Chairman</i>
<b>Ashok Kumar</b>	<i>Director</i>
<b>Vivek V Agarwalla</b>	<i>Director</i>
<b>S P Ghosh</b>	<i>Secretary</i>





**11. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :**

**1. REGISTRATION DETAILS :**

Corporate Identity Number 

U	9	9	9	9	W	B	1	9	7	4	P	T	C	0	2	9	6	7	9
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

State Code 

2	1
---	---

Balance Sheet as at 

3	1	0	3	2	0	0	9
---	---	---	---	---	---	---	---

**2. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands) :**

Public Issue 

			N	I	L		
--	--	--	---	---	---	--	--

 Right Issue 

			N	I	L		
--	--	--	---	---	---	--	--

Bonus Issue 

			N	I	L		
--	--	--	---	---	---	--	--

 Private Placements 

			N	I	L		
--	--	--	---	---	---	--	--

**3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands) :**

Total Liabilities 

			4	5	5	6	8
--	--	--	---	---	---	---	---

 Total Assets 

			4	5	5	6	8
--	--	--	---	---	---	---	---

**SOURCES OF FUNDS :**

Paid up Capital 

			4	1	4	8	5
--	--	--	---	---	---	---	---

 Reserves and Surplus 

							2	7
--	--	--	--	--	--	--	---	---

Secured Loan 

			N	I	L		
--	--	--	---	---	---	--	--

 Unsecured Loan 

				3	4	1	7
--	--	--	--	---	---	---	---

**APPLICATION OF FUNDS :**

Net Fixed Assets 

			N	I	L		
--	--	--	---	---	---	--	--

 Investments 

						6	9	7
--	--	--	--	--	--	---	---	---

Deferred Tax assets 

			N	I	L		
--	--	--	---	---	---	--	--

 Net Current Assets 

							8	2
--	--	--	--	--	--	--	---	---

Misc Expenditure 

			N	I	L		
--	--	--	---	---	---	--	--

 Accumulated Losses 

			4	4	1	5	0
--	--	--	---	---	---	---	---

**4. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands) :**

Turnover 

					8	1	8
--	--	--	--	--	---	---	---

 Total Expenditure 

						2	4	0
--	--	--	--	--	--	---	---	---

Profit/(Loss) Before Tax 

					5	7	8
--	--	--	--	--	---	---	---

 Profit/(Loss) After Tax 

						5	1	9
--	--	--	--	--	--	---	---	---

Earning per Share (in Rs.) 

				0	.	3	1
--	--	--	--	---	---	---	---

 Dividend 

			N	I	L		
--	--	--	---	---	---	--	--

**5. GENERIC NAME OF THREE PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY :**

Item Code No. 

N	A
---	---

Product : Limited trading activities

Description : Through agency and investment in shares / securities.

**On behalf of the Board**

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

Place : Kolkata  
 Date : 18th June 2009



**AUDITORS' REPORT TO THE MEMBERS**

We have audited the attached Balance Sheet of Monotype India Limited (The Company) as at 31<sup>st</sup> March, 2009 and the Profit and Loss account and Cash Flow of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence support the financial statements, the amounts and disclosures in the financial statement. An audit also includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) (Amendment) Order, 2003 (the Order) issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956 (the Act), and on the basis of such checks as we considered appropriate and according to the information and explanations given to us and subject to non availability of the relevant details / information / records due to the reasons given in Note 2 of Schedule 13, we annex hereto a statement on the matters specified in the said order to the extent applicable to the company.
2. Due to reasons given in Note 5 of Schedule 13, the accounts of the company have been prepared on the basis that it is a going concern though the accumulated losses of the company as on 31.03.2009 have been exceeded its entire net worth on that date.
3. As indicated in Note 2 of Schedule 13, relevant records in respect of factory, and other offices were not available for our verification. Consequently, the figures compiled by the company for the purpose of these accounts including the quantitative details / information as given under Schedules to the accounts could not be verified by us with respect to the primary and secondary records and supplementary documents and details. Accordingly, in the absence of relevant details / records and or full information reconciliation / confirmation, we are unable to express any opinion on the amounts of various assets and liabilities, expenses and income (including adjustments made during the year to such assets and liabilities), the adequacy and compliance thereof with the relevant Accounting Standards issued by the Institute of Chartered Accountants of India and impact thereof on the profit and accumulated losses of the company.
4. Attention is invited to the following notes of Schedule 13:
  - a. Note 1 regarding non ascertainment of liabilities in respect of items disclosed under contingent liabilities and adequacy of the disclosure / provision in these respect.
  - b. Note 4 and 6 regarding non ascertainment / confirmation / reconciliation and consequential adjustments in respect of certain statutory dues and other balances and non ascertainment of the impact on the profit for the year and the accumulated losses at the year end.
5. The overall impact of adjustments to be carried out including with regard to various legal and other implication arising with respect to our remarks under paras 2 to 4 above or otherwise has not been ascertained and therefore cannot be commented upon by us.
6. According to the information and explanation given to us and on the basis of test check carried out by us during the course of the audit of the company, our report on the matters specified under Para 3A and 3C of Non Banking Financial Companies Auditor's Report (Reserve bank) Direction, 1998 is as follows:



- I. The company has been incorporated prior to January 9, 1997 and has not applied for registration as provided in Section 45 (1A) of the Reserve Bank of India Act, 1934, (2 of 1934).
  - II. The Board of directors has passed the resolution for non acceptance of the public deposits.
  - III. The Company has not accepted any public deposits during the year.
  - IV. The company has complied with the prudential norms on income recognition, accounting standard, asset classification and provisioning for bad and doubtful debts as specified in the direction issued by the Reserve Bank of India in terms of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
7. For the reasons given in Note 4 of Schedule 13 various directions as applicable to a Non Banking Financial Company, issued by the Reserve Bank of India, inter alia with regard to disclosures of information in the financial statements have not been adhered to.
8. Further to the above and subject to our comments in paragraph 1 and the annexure referred therein and subject to and except as given in Paragraphs 2 to 4 above, we report that:
- a. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, the said accounts give in the prescribed manner the information required by the Companies Act, 1956 and proper books of accounts as required by laws have been kept by the Company so far as appears from our examination of the books;
  - c. In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - d. On the basis of written representations received from the directors and taken on record by the board of directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as directors in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
  - e. In our opinion and to the best of our information and according to the explanations given to us and in view of our observation in Para 2 to 4 above and our inability to ascertain and comment on the overall impact as per Para 5 with respect to para 7, we are unable to express our opinion on whether the said Balance Sheet and Profit and Loss Account are in agreement with the books of account and whether the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i. In case of the Balance Sheet, of the State of Affairs of the company as at 31.03.2009;
    - ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - iii. In case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

**For Patni & Co.**  
*Chartered Accountants*

(Sashi Sureka)  
*Partner*

Membership No-57918

Place : Kolkata  
Date : 18th June 2009



**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF MONOTYPE INDIA LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009**

- I. The Company does not have any fixed assets. Accordingly, the provisions of clause 4 (i) of the Order are not applicable to the Company.
- II. The Company does not have any inventory. Accordingly, the provisions of clause 4 (ii) of the Order are not applicable to the Company.
- III. (a) The Company has obtained interest free unsecured loan from promoter Company listed in the register maintained under section 301 of the Companies Act, 1956. The number of parties involved was one and the maximum amount involved during the year is Rs. 2,47,66,886.00 and amount outstanding as at the year end is Rs.34,16,886.00.  
(b) According to the information given to us, the terms and conditions on which such loans were obtained, are prima facie not prejudicial to the interest of the Company.  
(c) The terms of repayment have not been specified.  
(d) In absence of terms of repayment we are unable to express any opinion that the Company is regular in repayment of the loan.  
(e) No loan has been granted to any Company listed in register maintained under section 301. Consequently, the provisions of clause 4 (iii) (b) to (d) of the order are not applicable to the Company.
- IV. According to the information and explanations given to us, during the year there was no purchase of inventory, fixed assets and sale of goods and as such clause 4 (IV) of the order is not applicable to the Company.
- V. (a) In our opinion and according to the information and explanations given to us, there is no transaction that needs to be entered into the register maintained under section 301 of the Act, 1956.  
In view of remarks given in Para v (a) requirements of clause v (b) of the order are not applicable to the Company.
- VI. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and rules framed there under.
- VII. As explained to us, due to the situation prevailing in the company on account of suspension of operation, internal audit of the Company could not be carried out during the year.
- VIII. As informed to us the Central Government has not prescribed for the maintenance of cost records under section 209(1) (d) for any of the products of the Company.
- IX. (a) In the absence of relevant records and documents it is not possible for us to state whether the Company is not regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise duty, Custom Duty, Cess and other relevant material statutory dues wherever applicable with the appropriate authorities. However as per the accounts of the Company, liability with respect to these dues amounts to Rs. 1,50,678 was outstanding since earlier years.



- (b) In absence of relevant records it is not possible for us to state that there were no disputed amounts payable in respect of Income Tax, Service tax, Cess, Wealth tax, Sales Tax, Customs Duty and Excise Duty which are outstanding as at March 2009 except to the extent as stated in Note 1 of schedule 13.
- X. The accumulated loss of the Company as at the end of the year is more than the fifty percent of its net worth. The company has not incurred cash loss during the current year and in the immediately preceding financial year.
- XI. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted as on 31.03.2009 in repayment of dues to financial institution and Debenture-holders.
- XII. We have been informed and explained that the Company has not granted any loans and advances on the basis of security by way of the pledge of shares, debentures and other securities.
- XIII. In our opinion, the Company is not a chit fund or nidhi / mutual fund / society. Accordingly, the provision of the clause 4(xiii) of the Order is not applicable to the Company.
- XIV. The Company is dealing or trading in shares, securities, debentures and other investments and on the basis of the information and documents provided to us, the company has maintained the proper records of the transactions and contracts and timely entries have been made therein.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- XVI. During the year the Company has not taken any term loan. In respect of such loan taken in earlier years utilization of such amount, in absence of the relevant records are not available and such cannot be commented upon by us.
- XVII. According to the information and explanations given to us, we report that no funds raised on short- term basis have been used for long term investment by the company.
- XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- XIX. The Company has not issued any debentures during the year and no debentures were outstanding as at 31<sup>st</sup> March 2009. Accordingly, requirements of clause 4 (xix) of the order are not applicable to the Company.
- XX. The Company has not made any public issue during the year.
- XXI. During the course of our examination of the books of account carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such case by the Management.

For **Patni & Co.**  
*Chartered Accountants*

**(Sashi Sureka)**  
*Partner*

Place : Kolkata  
Date : 18th June 2009

Membership No. 57918

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009**

	Year Ended 31st March, 2009 Amount in Rupees	Year Ended 31st March, 2008 Amount in Rupees ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>NET PROFIT / (LOSS) BEFORE TAX</b>	<b>578,459</b>	3,085,663
<b>Adjusted for:</b>		
Interest Income	678,663	1,130,510
Dividend Received	3,775	53,440
Profit on sale of investments (Long Term)	112,513	2,735,694
	<u>794,951</u>	<u>3,919,644</u>
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL</b>	<b>(216,492)</b>	<b>(833,981)</b>
<b>Adjustment for :</b>		
Sundry Debtors	0	8,173
Loans & Advances	4,439,846	3,351,233
Current Liabilities	<b>(168,085)</b>	<b>(4,872,942)</b>
Cash Generated from / (Applied to) Operations	<u>4,055,269</u>	<u>(2,347,518)</u>
Direct Tax Paid (Tax Deducted at Source)	72,776	(233,793)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b><u>4,128,045</u></b>	<b><u>(2,581,311)</u></b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES:</b>		
Purchase of Investments (Net)	297,048	12,248,059
Interest Received	678,663	1,130,510
Dividend Income	3,775	53,440
	<u>979,486</u>	<u>13,432,009</u>
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b><u>5,107,531</u></b>	<b><u>10,850,698</u></b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009 (Contd.)**

	Year Ended 31st March, 2009 Amount in Rupees	Year Ended 31st March, 2008 Amount in Rupees
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Receipts/ ( payment) Of Unsecured Loans	(14,100,000)	2,450,000
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<u>(14,100,000)</u>	<u>2,450,000</u>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>8,992,469</b>	8,400,698
Cash & Cash Equivalents — Opening		
Cash & Cheques in hand	0	0
With Scheduled Banks in Current Accounts	<u>9,071,885</u>	<u>671,187</u>
	<b>9,071,885</b>	671,187
Cash & Cash Equivalents — Closing		
With Scheduled Banks in Current Accounts	<u>79,417</u>	<u>9,071,885</u>

Note: Previous Year's figures have been re-arranged/re-grouped wherever necessary.

As per our report of even date

For **Patni & Co**  
Chartered Accountants

**Sashi Sureka (Mem No. 57918)**  
Partner

Place : Kolkata  
Date : 18th June 2009

On behalf of the Board

<b>Rajesh Jain</b>	Chairman
<b>Ashok Kumar</b>	Director
<b>Vivek V Agarwalla</b>	Director
<b>S P Ghosh</b>	Secretary

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