



# MONOTYPE INDIA LIMITED

**Date: 08<sup>th</sup> August, 2023**

To Corporate Relationship Department Bombay Stock Exchange Ltd, 1st Floor, New Trading Road Rotunda Building, P. J. Towers, Dalal Street, Fort, Mumbai - 400001 <b>Scrip Code - 505343</b>	To The Manager (Listing), Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata - 700 001 <b>Scrip code: 023557</b>	To The Manager (Listing), Metropolitan Stock Exchange of India Limited, Vibgyor Towers, 4 <sup>th</sup> floor, Plot No C 62, G-Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra(E), Mumbai - 400098 <b>Scrip code: MONOT</b>
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**SUBJECT: BOARD MEETING OUTCOME**

**Dear Sir/Madam,**

Pursuant to Regulation 30 and 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that Board Meeting of the Company was held today i.e., on Tuesday, August 08, 2023 at 11:00 a.m. at the registered office of the Company., the Board has considered and approved the following:

1. Considered, approved and adopted the Audited Financial Results for year ended 31<sup>st</sup> March, 2022 along with the Auditor's Report and Certificate for unmodified opinion Pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements), 2015.
2. Approved the AGM Notice along with Board's Report and Annexure, Management Discussion and Analysis and Corporate Governance Report for 47<sup>th</sup> Annual General Meeting (AGM) of the Company for the F.Y. 2021-2022.
3. Approved the Notice convening the 47<sup>th</sup> Annual General Meeting (AGM) of the Company which is scheduled to be held on Thursday, September 07, 2023 at 11.00 a.m., through Video Conferencing and Other Audio-Visual Means.
4. Pursuant to the provisions of Section 91 of the Companies Act, 2013 read with Rule 10(1) of the Companies (Management and Administration) Rules 2014 and as per Regulations 42 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 the Register of Beneficial Owners /Register of Members and share Transfer Books of the Company will remain closed from Friday, 01<sup>st</sup> September, 2023

(CIN: L72900MH1974PLC287552)  
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# MONOTYPE INDIA LIMITED

to Thursday, 07<sup>th</sup> September, 2023 (both days inclusive) and Company has fixed Thursday, 31<sup>st</sup>, August, 2023 as the "Cut-off Date" for the purpose of determining the members eligible to vote on the resolutions set out in the Notice of the Annual General Meeting and to attend the Annual General Meeting.

5. NSDL has been appointed to provide remote e-voting and voting facility during AGM to the shareholders of the Company for the ensuing 47<sup>th</sup> Annual General Meeting (AGM) of Company.
6. Appointed Mr. Suprabhat Chakraborty, Practising Company Secretary as a Scrutinizer to Scrutinize e-voting and submit their report as prescribed under Companies Act, 2013.
7. Board has decided to place Mr. Naresh Jain (DIN: 00291963) for retire by rotation for this 47<sup>th</sup> AGM of the Company and will be appointed as director of the company in the same AGM.

**This is to inform you that the Board Meeting of the company was held today at 11:00 A.M. and concluded at 01:50 P.M.**

Kindly acknowledge & take on record the same.

**Thanking you,**

**For Monotype India Limited**

**Naresh Jain**  
**Wholetime Director**  
**(DIN: 00291963)**



# B.M. Gattani & Co.

## Chartered Accountants

B-702, Om Sai Shravan,  
Opp. Shimpoli Telephone Exchange,  
Shimpoli, Borivali (W), Mumbai-400092  
Tel: 022-28988811, Cell: +91 9022988811  
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### INDEPENDENT AUDITOR'S REPORT

To the Members of **MONOTYPE INDIA LIMITED**

Report on the Audit of the Ind AS Financial Statements

#### Opinion

We have audited the accompanying Ind AS financial statements of **MONOTYPE INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit/loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

#### Emphasis of Matter

We draw attention to the following:

##### 1. Balance written off during the Year

As mentioned in Other Notes to Accounts Point No. 36 of the Financial Statement, the Company has written off certain balances during the Financial Year:



- i. The amounts recoverable from several companies have been written off during the year as the Company has entered into binding agreements for such settlement of such amounts received and/or to be received. Therefore, the portion of amounts not receivable consequent to such binding agreements, have been written off.
- ii. For companies where the company has to pay certain dues, the payable amounts have been written off due to several reasons being:
  - a) Companies are under Liquidation and/or Liquidated, therefore their claims are discharged and will not be payable as on date of signing of financial statements.
  - b) Companies have not filed claims with the IRP/IP during the CIRP process. Therefore, as per management estimate and opinions obtained, these dues are no longer payable as since the statute of limitations has expired as on date of signing the Financial Statements as on the date of signing of Financial Statements.
  - c) Companies have entered into binding agreements for settlement of such amounts, the portion of amounts not payable consequent to such binding agreements, have been written off.

## 2. Balance Confirmation

As mentioned in Other Notes to Accounts Point No. 37 of the Financial Statement, the Company has not provided Balance Confirmations for certain parties during the Financial Year. The debit and credit balances for Unsecured Loans (Loan from Companies & Loan from Related Parties), Advances, Debtors, Creditors and other Balances are subject to confirmation and reconciliation.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

## Auditor's Response

Our audit procedures included understanding and evaluating processes and controls designed and implemented by the management for assessment of said transaction and testing their operating effectiveness; obtaining the list of documents and communications, inspecting the supporting evidence, the prevailing market valuation as per the Valuation reports submitted to us and critically assessing management's evaluation through discussions with management on the said transaction.

In light of the above, we did not identify any material exceptions as a result of above procedures.

## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Management Discussion and Analysis and Business Responsibility Report but does not include the Ind AS financial statements and our auditor's report thereon. The other



information is expected to be made available to us after the date of this auditor's report. Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

1. The Company, being a listed company, has been mandatorily required under Section 203 of the Act, to have whole time Key Managerial Person which includes Company Secretary as defined under section 2(24) of the Act. During the year, the Company Secretary and Compliance Officer (Sneha Soni) had resigned from her post in February 2020. The Company was under CIRP Process from 18th February 2020 to 25th January 2023 and during the period no Company Secretary was appointed. The Company is now actively looking to fulfill the vacant position and appoint a Company Secretary.
2. Sub-section (1) of section 134 of the Act provides for approval and signing of financial statements which states that the Financial Statements are to be signed on behalf of the Board at least by the chairperson of the company where he is authorized by the Board or by two directors out of which one shall be managing director and the Chief Executive Officer, if he is a director in the company, the Chief Financial Officer and the company secretary of the company, wherever they are appointed. The Company does not have a Company Secretary as on date of signing of financial statements and therefore it is not in compliance with section 134 of the Companies Act, 2013.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies ((Indian Accounting Standards) Rules, 2015 as amended;
  - (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities



("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (a) and (b) contain any material misstatement.

v. During the year, the Company has not declared any dividend.

**For B M Gattani & Co.**  
*Chartered Accountants*  
ICAI FRN: 113536W

*Battaw*



**Balmukund N Gattani**  
*Proprietor*  
Membership No. 047066

**Place : Mumbai**

**Date: 08<sup>th</sup> August, 2023**

**UDIN : 23047066BGQFHG7314**



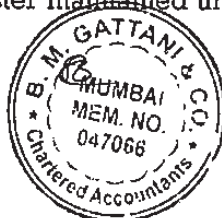
## **ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MONOTYPE INDIA LIMITED of even date)

**Report on the Companies (Auditor's Report) Order, 2020, issued in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of Monotype India Limited ("the Company")**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)
- a)
- A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- B. The Company does not have any intangible assets hence, no records showing the particulars of the intangible assets were available.
- b) The Property, Plant and Equipment were physically verified by the management in accordance with a regular programme of verification at reasonable intervals. According to information and explanation given to us, no such material discrepancies were noticed on such verification.
- c) The Company does not own any Immovable property. Accordingly, paragraph 3(i)(c) of the order is not applicable to the company.
- d) The Company has not revaluated its Property, Plant and Equipment (including Right of use Assets) during the year ended March 31, 2022. Accordingly, paragraph 3(i)(d) of the order is not applicable to the company.
- e) No proceeding has been initiated or pending against company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, hence, paragraph 3(i)(e) of the order is not applicable to the Company.
- (ii)
- a) According to the information and explanation given to us, the nature of business of the Company is such that it does not have any physical inventories. Accordingly paragraph 3(ii)(a) of the order is not applicable to the Company.
- b) During the year no working capital limits had been sanctioned to the company in excess of 5 crore rupees, in aggregate, from Bank and Financial institutions on the basis of security of current assets. Accordingly, the provisions of the Clause 3(ii)(b) of the Order is not applicable to the Company and hence not commented upon.
- (iii) According to information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies



Act, 2013. Hence, Clause (iii) of the Paragraph 3 of the Order is not applicable to the Company.

- (iv) In our opinion and according to information and explanations given to us, the Company has not advanced loans to Directors/Company in which the director is interested to which the provisions of Section 185 of the Companies Act, 2013 apply and hence not commented upon.

Also, in our opinion and according to the information and explanation given to us, the Company has not made investment and given guarantee/provided security which falls under the purview of section 186 of the Companies Act, 2013 and hence not commented upon.

- (v) According to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2022 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company and hence not commented upon.

- (vi) As per the information and explanation given to us, the maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company and hence not commented upon.

(vii)

- a) The Company has generally been regular in depositing undisputed statutory dues including Income-tax, Goods & Service Tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Income-tax, Goods & Service Tax, Sales tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2022 for a period of more than six months from the date they became payable, except the following:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which Demand relates	Date of payment
Income Tax Act, 1961	Income Tax	11,463/-*	A.Y.2019-20	Unpaid till date
Income Tax Act, 1961	Income Tax	65/-	A.Y.2008-09	Unpaid till date
Income Tax Act, 1961	TDS Interest on payment Default u/s 201	1,856,930/-	Prior Years	Unpaid till date
Income Tax Act, 1961	TDS Interest on payment Default u/s 201	9,887/-	A.Y.2020-21	Unpaid till date
Income Tax Act, 1961	TDS Interest on payment Default u/s 201	511.50/-	A.Y.2022-23	Unpaid till date
Income Tax Act, 1961	TDS Interest on payment Default u/s 201	8536/-	A.Y.2021-22	Unpaid till date
Income Tax Act, 1961	TDS Interest on Deduction Default u/s 201	1,089/-	A.Y.2020-21	Unpaid till date



Income Tax Act, 1961	TDS Interest on Deduction Default u/s 201	343/-	A.Y.2021-22	Unpaid till date
Income Tax Act, 1961	Short Deduction	7,700/-	A.Y.2020-21	Unpaid till date
Income Tax Act, 1961	Short Deduction	4,950/-	A.Y.2021-22	Unpaid till date
Income Tax Act, 1961	Late Filing Fees u/s 234E	13,800/-	Prior Years	Unpaid till date
Income Tax Act, 1961	Late Filing Fees u/s 234E	27,301/-	A.Y.2020-21	Unpaid till date
Income Tax Act, 1961	Interest u/s 220(2)	288/-	A.Y. 2021-22	Unpaid till date
Income Tax Act, 1961	Interest u/s 220(2)	1,572/-	Prior Years	Unpaid till date
SEBI Act, 1992	Penalty u/s 12A (a), (b) and (c)	5,00,000/-	F.Y. 2020-21	Unpaid till date
SEBI Act, 1992	Penalty u/s 15-I	1,00,000/-	F.Y. 2021-22	Unpaid till date

\* Rectification filed with CPC Order

(b) According to information and explanation given to us and based on the audit procedures conducted by us, there are no material dues of statutory payment which have not been deposited with the appropriate authorities on account of any dispute are as follows:-

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which Demand relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	3,69,03,180/-*	A.Y.2019-20	Appeal in CIT
Income Tax Act, 1961	Income Tax	1,59,98,278/-*	A.Y.2018-19	Appeal in CIT
Income Tax Act, 1961	Income Tax	80,53,600/-*	A.Y.2017-18	Appeal in CIT
Income Tax Act, 1961	Income Tax	45,28,840/-*	A.Y.2016-17	Appeal in CIT
Income Tax Act, 1961	Income Tax	2,20,37,037/-	A.Y.2015-16	Appeal in CIT
Income Tax Act, 1961	Income Tax	9,11,05,902/-	A.Y 2014-15	Appeal in CIT
Income Tax Act, 1961	Income Tax	5,56,44,383/-	A.Y.2013-14	Appeal in CIT

\* Rectification filed with CPC Order

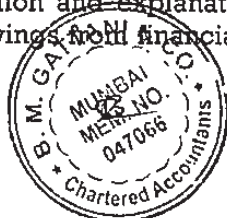
*(It is pertinent to note that the Company has also not filed Income Tax Return for the Assessment Years 2020-21 and following periods. Therefore, the taxes/losses on account of the same are not submitted to the department maybe subject to an ex parte assessment by the relevant authorities)*

*(Any Interest and/or penalty payable on any of the above undisputed statutory dues has not been provided above as well as in books of accounts due to difficulty in estimation of the same)*

(viii) No transactions have been recorded in the books of account which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), Accordingly, paragraph 3(viii) of the order is not applicable to the Company.

(ix)

a) According to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government or



has not issued any debentures during the year. Hence reporting under clause 3 (ix)(a) of the Order is not applicable to the Company.

- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) During the year no Term Loans were taken. Accordingly reporting under clause 3 (ix)(c) of the Order is not applicable to the Company and hence not commented upon.
- d) On an overall examination of the financial statements of the Company, no funds were raised. Accordingly reporting under clause 3 (ix)(d) of the Order is not applicable to the Company and hence not commented upon.
- e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company and hence not commented upon.
- f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

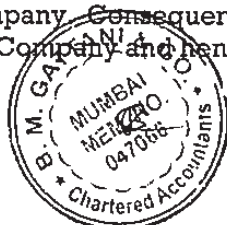
(x)

- a) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company and hence, not commented upon.
- b) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company and hence, not commented upon.

(xi)

- a) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.
- b) Since, no material fraud by company or on the company has been noticed or reported during the year, therefore, no reporting under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- c) According to the information and explanations given to us, the Company has not received any whistle-blower complaints, hence, the provisions of the clause 3 (xi)(c) of the Order is not applicable to the Company.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Consequently, provisions of clause 3(xii) of the Order is not applicable to the Company and hence, not commented upon.



- (xiii) In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of related party transactions have been disclosed in the Financial Statements, as required by the applicable Indian accounting standards.
- (xiv)
- a) The company has an internal audit system commensurate with the size and nature of its business;
  - b) The reports of the internal auditor for the period under audit have been considered by the statutory auditor.
- (xv) According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 is not applicable to the Company.
- (xvi)
- a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence, the provisions of the clause 3 (xvi)(a) of the Order is not applicable to the Company.
  - b) The company has not conducted any Non-Banking Financial activities during the reporting year and hence, the provisions of the clause 3 (xvi)(b) of the Order is not applicable to the Company.
  - c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly provisions of clause 3(xvi)(c) of the Order is not applicable to the Company and hence, not commented upon.
  - d) Since the company is not a Core Investment Company (CIC), the provisions of clause 3(xvi)(d) of the Order is not applicable to the Company and hence, not commented upon.
- (xvii) The company has incurred cash losses of Rs. 2,21,32,881/- during the Financial Year 2021-22 and has incurred no cash losses in the immediately preceding Financial Year 2020-21.
- (xviii) During the year there has been no resignation of the statutory auditors during the year; hence provisions of clause 3(xviii) of the Order are not applicable to the Company.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.



- (xx) Since the provisions of Corporate Social Responsibility under section 135 of the companies Act, 2013 is not applicable to the Company. Accordingly, there is no reporting requirement under clause 3(xx) of the order.
- (xxi) Since the company does not have any group company and no consolidated financial statements are prepared, the provisions of clause 3(xxi) of the Order is not applicable to the Company and hence, not commented upon.

**For B M Gattani & Co.**  
*Chartered Accountants*  
ICAI FRN: 113636W

*B. Gattani*



**Balmukund N Gattani**  
*Proprietor*  
Membership No. 047066

**Place : Mumbai**

**Date: 08<sup>th</sup> August, 2023**

**UDIN: 23047066BGQPHG7314**

## **ANNEXURE“B” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements section of our report to the members of **MONOTYPE INDIA LIMITED** of even date)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **MONOTYPE INDIA LIMITED** (“the Company”) as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

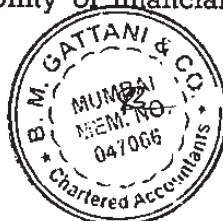
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of



financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B M Gattani & Co.**  
Chartered Accountants  
ICAI FRN: 113536W

*B. Gattani*



**Balmukund N Gattani**  
Proprietor  
Membership No. 047066

**Place : Mumbai**

**Date: 08<sup>th</sup> August, 2023**

**UDIN: 23047066BGQFHG7314**



MONOTYPE INDIA LIMITED  
Balance sheet as at 31 March 2022

(Amount in Lakhs)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	4.33	6.30
Deferred tax assets (net)	4	4.05	4.46
Other non-current assets	5	3.00	603.00
<b>Current assets</b>			
Inventories	6	1,017.85	1,454.69
Financial Assets			
Trade receivables	7	0.70	44.00
Cash and cash equivalents	8	10.09	7.81
Loans	9	-	52.27
Other current assets	10	0.28	15.56
<b>Total Assets</b>		<b>1,040.30</b>	<b>2,188.08</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share capital	11	7,031.22	7,031.22
Other Equity	12	(10,164.66)	(9,936.90)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other non-current liabilities	13	12.10	31.52
<b>Current liabilities</b>			
Financial Liabilities			
i Borrowings	14	3,375.49	4,266.76
ii Trade Payables:-			
Total outstanding dues of micro enterprises and small enterprises; and			
Total outstanding dues of creditors other than micro enterprises and			
small enterprises	15	770.36	770.36
iii Other financial liabilities	16	-	0.77
Other current liabilities	17	9.46	18.03
Provisions	18	6.34	6.34
<b>Total Equity and Liabilities</b>		<b>1,040.30</b>	<b>2,188.08</b>
See accompanying notes forming Part of Financial Statement	1		

For B M Gattani & Co.  
Chartered Accountants  
ICAI FRN : 113536W

For MONOTYPE INDIA LIMITED  
(CIN : L72900MH1974PLC287532)

*B.M. Gattani*



Balrunkund N Gattani  
Proprietor  
Membership No. 047066

*(Narendra Jain)*  
Whole Time Director & CFO  
DIN: 00291963



*(Suryakant Kidakane)*  
Director  
DIN: 02272617

Date : 08/08/2023  
Place : Mumbai

UDIN- 23047066 BQ & FHO 7314

MONOTYPE INDIA LIMITED

Statement of Profit and Loss at the year ended 31 March 2022

(Amount in Lakhs)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
I Revenue From operations	19	1,724.92	880.14
II Other Income		1.20	1.10
III Total Income (I+II)	20	1,726.12	881.24
IV Expenses			
Purchases of Stock-in-Trade	21	843.04	810.74
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	22	436.83	(1.63)
Employee benefits expense	23	-	0.85
Finance costs	24	4.05	6.63
Depreciation and amortization expenses	3	1.98	2.94
Other expenses	25	17.72	13.94
Total Expenses (IV)		1,303.62	833.47
V Profit/(loss) before exceptional items and tax (III-IV)		422.50	47.78
VI Exceptional Items		649.85	-
VII Profit/(loss) after exceptions items and tax (V-VI)		(227.35)	47.78
VIII Tax Expenses:			
(1) Current Tax		-	-
(2) Deferred Tax		0.41	0.33
(3) Excess/Short provision of tax		-	-
IX Profit (Loss) for the period from continuing operations (VII-VIII)		(227.76)	47.45
X Profit/(loss) from discontinued operations		-	-
XI Tax expenses of discontinued operations		-	-
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII Profit/(loss) for the period (IX+XII)		(227.76)	47.45
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV Total Comprehensive Income for the period Comprising Profit (Loss) and Other Comprehensive Income for the period)		(227.76)	47.45
XVI Earnings per equity share (for continuing operation):			
1 Basic		(0.03)	0.01
2 Diluted		(0.03)	0.01
XVII Earnings per equity share (for discontinued operation):			
1 Basic		-	-
2 Diluted		-	-
XVIII Earning per equity share (for discontinued & continuing operation)	26		
1 Basic		(0.03)	0.01
2 Diluted		(0.03)	0.01

See accompanying notes forming Part of Financial Statement

1

For B M Gattani & Co.  
Chartered Accountants  
ICAI FRN : 113536W

Bhattar

Balmukund N Gattani  
Proprietor  
Membership No. 047066



For MONOTYPE INDIA LIMITED  
(CIN : L72900MH1974PLC287552)

(Signature) (Signature)  
Whole Time Director & CEO Director  
DIN: 00291963 DIN: 02272617

Date : 08/08/2023

Place : Mumbai

UDIN-23047066 BG ATH 57314

MONOTYPE INDIA LIMITED

Statement of Cashflow at the year ended 31 March 2022

(Amount in Lakhs)

Particulars	Note No	As at 31 March 2022	As at 31 March 2021
<b>Cash flows from Operating Activities</b>			
Net Profit before Tax		(227.35)	47.78
Adjusted For:			
Depreciation and Amortization		1.98	2.94
Finance Cost		4.05	6.63
Interest Income		-	(0.00)
Operating profit / (Loss) before working capital changes		(221.33)	57.34
Changes in Working Capital:			
(Increase)/Decrease in Trade Receivables		43.30	(43.80)
(Increase)/Decrease in Inventories		436.83	(1.63)
(Increase)/Decrease in Other Non-Current Assets		600.00	-
(Increase)/Decrease in Other Current Assets		15.29	(15.50)
Increase/(Decrease) in Other Current Financial Liabilities		(0.77)	-
Increase/(Decrease) in Trade Payables		-	(8.15)
Increase/(Decrease) in Other Current liabilities		(8.57)	8.86
Increase/(Decrease) in Other Non Current Liabilities		(19.42)	0.12
Cash Generated from / (used in) Operation		845.33	(2.76)
Tax paid (net of refunds)		-	-
Net cash flow from operating activities	(A)	845.33	(2.76)
<b>Cash flows from Investing Activities</b>			
Interest received		-	0.00
Net cash flow from / (used in) investing activities	(B)	-	0.00
<b>Cash flows from Financing Activities</b>			
Loans		52.27	-
Finance Cost		(4.05)	(6.63)
Repayment from Short Term Borrowings		(891.28)	-
Proceeds from Short Term Borrowings		-	12.96
Net cash flow from / (used in) Financing activities	(C)	(843.05)	6.33
Net increase / (decrease) in Cash and Cash Equivalents	(A+B+C)	2.28	3.57
Cash and cash equivalents as at the beginning of the year		7.81	4.23
Cash and cash equivalents as at end of the year		10.09	7.81

See accompanying notes forming part of the financial statements

Note :

a). The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS-7) - Statement of Cash Flow

b). There are no non-cash item transactions noted during the year except as stated above.

See accompanying notes forming Part of Financial Statement

For B M Gattani & Co.  
Chartered Accountants  
ICAI FRN : 1135561W

Balmukund N Gattani  
Proprietor  
Membership No. 047066



For MONOTYPE INDIA LIMITED  
(CIN : L72900MH1974PLC287552)

(Muresh Jain)  
Whole Time Director & CFO  
DIN: 00291963



Guryakant Kadakane  
Director  
DIN: 02272617

Date : 08/08/2023

Place : Mumbai

UBFN-23047066BGFHF 9314

# MONOTYPE INDIA LIMITED

## Notes to the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022

### 1. General Information

Monotype India Ltd. (the 'Company') is a company limited by share and domiciled in India with its registered office located at 602, 6th Floor, Raheja Chambers, 213 Nariman Point Mumbai - 400021. The Company was incorporated on 30<sup>th</sup> September, 1974, at Calcutta as a Private Limited Company under the Companies Act, 1956 and converted into a Public Limited Company on 23<sup>rd</sup> October, 1976. Hon'ble Calcutta High Court vide order dated 09<sup>th</sup> December, 2014 had approved the scheme for amalgamation of Mono Herbicides Ltd, Gateway Distributor Limited, Unicorn Vyapar Limited, Subhankar Vinimay Limited, Swagatam Tradevin Limited and Lotus Financial Management Private Limited with Monotype India Limited. Shares of Company are Listed on BSE (Scrip Code: 505343), Calcutta Stock Exchange (Scrip Code: 023557) and Metropolitan Stock Exchange of India (Scrip Code: MONOT). The Company is engaged in the business of Trading in Shares and incidental activities.

### 2. Significant Accounting Policies

#### A. Basic of Preparations

##### i. Statement of Compliance

These Financial Statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by the Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and rules made thereunder.

These Financial Statements were approved by the Board of Directors and authorised for issue on 08<sup>th</sup> August, 2023.

##### ii. Basis of Measurement

The financial statements have been prepared on an accrual system, based on the principle of going concern and under the historical cost convention, unless otherwise stated. The accounting policies are applied consistently to all the periods presented in the Financial Statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### iii. Use of Estimates and Judgements

The preparation of Financial Statements in conformity with Ind AS requires management to make judgments, estimates and assumptions in the application of accounting policies that affects the reported amounts of assets, liabilities etc. at the date of these Financial Statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates, with the differences between the same being recognized in the period in which the results are known or materialize.

Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised in Financial Statements in the period in which the estimate is revised if the revision affects only that period or in the period of the revision & Future period if revision affects both current and future periods.



## MONOTYPE INDIA LIMITED

### Notes to the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022

The areas involving critical estimates or judgements are:

- a. Impairment of Financial Assets such as Trade Receivable.
- b. Impairment of Non-Financial Assets.
- c. Estimates of Tax Expenses and Liability.
- d. Revenue recognitions.

#### B. Current and Non-Current Classification

The Company presents assets and liabilities in its Balance Sheet based on current versus non-current classification.

An asset is classified as current when it is:

- i. Expected to be realized or intended to sold or consumed in normal operating cycle,
- ii. Held primarily for the purpose of trade,
- iii. Expected to be realized on demand or within twelve months after the reporting date, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when:

- i. it is expected to be settled in normal operating cycle,
- ii. it is held primarily for the purpose of trade,
- iii. it is due to be settled on demand or within twelve months after the reporting date, and
- iv. there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as Non-Current Assets and Liabilities.

#### C. Revenue Recognition

- i. Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each agreement.
- ii. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable.
- iii. Profits / Losses from share trading is determined on the basis of the "First In First Out" method.



## MONOTYPE INDIA LIMITED

### Notes to the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022

#### D. Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred Tax assets are recognised for all deductible temporary differences, unused tax losses and carry forward tax credits only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax losses and tax credits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### E. Impairment of Non-Financial Assets - Property, Plant & Equipment

The Company assesses at each reporting dates as to whether there is any indication that any property, plant and equipment may be impaired. If any such indication exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

An impairment loss is recognized in the Statement of the Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.



# MONOTYPE INDIA LIMITED

## Notes to the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022

### F. Inventory

Inventories are measured at the lower of cost and net realisable value after providing for obsolescence, if any. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

### G. Cash and Cash Equivalent

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments which are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

### H. Cash Flow Statement

Cash flow are reported using Indirect method, where by net profit before tax is adjusted for the effects of transaction of non-cash nature any deferrals or accruals of past or future operating cash receipts or payments and items of income and expenses associates with investing or financing activity. The Cash flows from operating, financing and investing activity is shown separately.

### I. Financial Instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

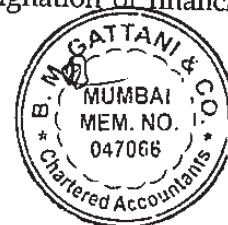
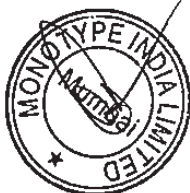
Financial assets and financial liabilities are offset against each other and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

#### i. Financial Assets

Financial assets are divided into the following categories:

- a. financial assets carried at amortised cost
- b. financial assets at fair value through other comprehensive income
- c. financial assets at fair value through profit and loss;

Financial assets are assigned to the different categories by management on initial recognition, depending on the nature and purpose of the financial assets. The designation of financial



# MONOTYPE INDIA LIMITED

## Notes to the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022

assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

Financial Assets like Investments in Subsidiaries are measured at Cost as allowed by Ind-AS 27 – Separate Financial Statements and hence are not fair valued.

### ii. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These are non-derivative financial assets that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank and cash balances) are measured subsequent to initial recognition at amortized cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognized in the Statement of profit and loss.

In accordance with Ind AS 109: Financial Instruments, the Company recognizes impairment loss allowance on trade receivables and content advances based on historically observed default rates. Impairment loss allowance recognized during the financial year is charged to Statement of profit and loss.

### iii. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are non-derivative financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses in the statement of profit and loss.

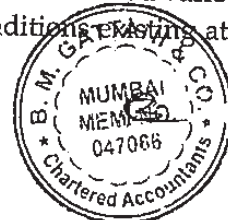
### iv. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. It includes non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. Gains and losses arising from investments classified under this category is recognized in the Statement of profit and loss when they are sold or when the investment is impaired.

### v. Impairment of Financial Assets

In the case of impairment, any loss previously recognized in other comprehensive income is transferred to the Statement of profit and loss. Impairment losses recognized in the Statement of profit and loss on equity instruments are not reversed through the Statement of profit and loss. Impairment losses recognized previously on debt securities are reversed through the Statement of profit and loss when the increase can be related objectively to an event occurring after the impairment loss was recognized in the Statement of profit and loss.

When the Company considers that fair value of financial assets can be reliably measured, the fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company applies its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance





# MONOTYPE INDIA LIMITED

## Notes to the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022

sheet date. Equity instruments measured at fair value through profit or loss that do not have a quoted price in an active market and whose fair value cannot be reliably measured are measured at costless impairment at the end of each reporting period.

An assessment for impairment is undertaken at least at each balance sheet date.

### vi. De-recognition of Financial Assets

A financial asset is derecognized only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for de-recognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Company retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for de-recognition if the Company transfers substantially all the risks and rewards of ownership of the asset, or if the Company neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

### vii. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

### viii. Financial Liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition they are classified as financial liabilities at fair value through profit or loss.

### ix. Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

### x. De-recognition

A financial liability is derecognized only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires. Changes in liabilities' fair value that are reported in profit or loss are included in the Statement of profit and loss within finance costs or finance income.

## J. Property, plant and equipment and depreciation

### i. Initial Recognition and Measurement

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.



# MONOTYPE INDIA LIMITED

## Notes to the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of Property, plant and equipment.

Capital work-in-progress comprises cost of property, plant and equipment and related expenses that are not yet ready for their intended use at the reporting date. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under other non-current assets.

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### ii. Subsequent Cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

### iii. Depreciation / amortisation on property, plant and equipment

Depreciation on all the assets have been provided at the rates and in the manner prescribed in Schedule II of the Act on Written Down Value Method. Depreciation on additions to assets or on sale / disposal of assets is calculated on the basis of Pro rata basis from date of such addition or up to the month of such sale / scrapped, as the case may be.

## K. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

## L. Provisions and contingencies

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the Financial Statements.



# MONOTYPE INDIA LIMITED

## Notes to the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022

### M. Employee Benefits

#### i) Short term employee benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

ii) The Company is exempted from Payment of Gratuity Act, 1972 in view of its strength of employees being less than threshold limit attracting the applicability of the said statute and as such no provision has been made for the said liability. Leave encashment is not provided on actuarial basis in view of employees being less than 10 and same is charged on actual basis.

### N. Earnings Per Share

#### i) Basic Earnings per share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the financial year and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

#### ii) Diluted Earnings per share:

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### O. Critical Estimates and Judgments.

The preparation of the financial statements required the Management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

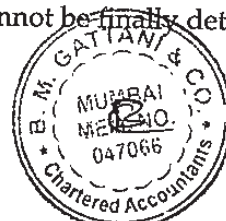
The areas involving critical estimates or judgements are:

#### i. Estimated useful life of Tangible Assets

The Company reviews the useful lives and carrying amount of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

#### ii. Estimation of Current Tax Expense and Income Tax Payable / Receivable

The calculation of Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until



# MONOTYPE INDIA LIMITED

## Notes to the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022

resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material adjustment to taxable profits/losses.

### iii. Impairment of Financial Assets

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables.

### iv. Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

### v. Contingent liabilities

At each balance sheet date basis, the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from this judgement.

### vi. Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.



3 Property, Plant & Equipment

Particulars	(Amount in Lakhs)				
	Furniture and Fixtures	Vehicles	Office equipment	Computer	Total
Gross Carrying Amount March 31, 2022					
Opening Gross Carrying Amount					67.93
Additions	0.86	62.51	1.65	2.91	
Sold	-	-	-	-	-
Closing gross carrying amount	0.86	62.51	1.65	2.91	67.93
Accumulated Depreciation					
Opening Accumulated Depreciation					61.62
Depreciation charged during the year	0.64	56.81	1.32	2.85	
Closing Accumulated Depreciation	0.06	1.78	0.14	-	1.98
	0.70	58.59	1.46	2.85	63.60
Net carrying amount March 31, 2022	0.16	3.92	0.19	0.06	4.33
Net carrying amount March 31, 2021	0.22	5.70	0.33	0.06	6.30

Note:

Assets that have reached their scrap value are not depreciated further.



Grouping to the Financial Statement for the year ended 31 March 2022

Note: 4

(Amount in Lakhs)

DEFERRED TAX WORKING -AY_2022-23	AY_2021-22		AY_2022-23	
W.D.V. as per Income Tax Act as on 31.03.2022	23.45		19.91	
W.D.V. as per Companies Act as on 31.03.2022	6.30		4.33	
Difference	17.15		15.58	
Deferred Tax Asset @ 26%		4.46		4.05
Deferred Tax Asset as on 31.03.2022		4.46		4.05
Opening Deferred Tax Asset		4.78		4.46
Closing Deferred Tax Asset		4.46		4.05
Amount to be provided during the year		(0.33)		(0.41)



Particulars	(Amount in Lakhs)					
	As at 31 March 2022	As at 31 March 2021				
<b>Financial Assets</b>						
<b>5 Other non-current asset</b>						
Capital Advances;	-	600.00				
Advances other than capital advances						
Security Deposits;	3.00	3.00				
	<u>3.00</u>	<u>603.00</u>				
<b>6 Inventories</b>						
Stock-in-trade (in respect of goods acquired for trading);	1,017.85	1,454.69				
	<u>1,017.85</u>	<u>1,454.69</u>				
<b>7 Trade receivables</b>						
Trade Receivables :						
Less: Expected Credit Loss	0.70	44.00				
	<u>0.70</u>	<u>44.00</u>				
<i>Trade Receivables considered good - Secured</i>	-	-				
<i>Trade Receivables considered good - Unsecured</i>	0.70	-				
<i>Trade Receivables which have significant increase in Credit Risk; and</i>	-	-				
<i>Trade Receivables - credit impaired.</i>	-	-				
<b>Trade Receivables ageing schedule</b>						
	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months 1 years	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables -- considered good	0.70	-	-	-	-	0.70
<b>8 Cash and cash equivalents</b>						
Cash Balance					0.03	0.50
Bank Balance					10.06	7.30
					<u>10.09</u>	<u>7.81</u>
<b>9 Loans</b>						
<u>Unsecured, considered Good</u>						
Other Loans					-	52.27
					-	<u>52.27</u>
<i>Loans Receivables considered good - Secured;</i>					-	-
<i>Loans Receivables considered good - Unsecured;</i>					-	-
<i>Loans Receivables which have significant increase in Credit Risk; and</i>					-	-
<i>Loans Receivables - credit impaired.</i>					-	-
<b>10 Other current assets</b>						
Advance for Expense					0.06	1.34
Advance to Trade Payables					0.21	14.22
					<u>0.28</u>	<u>15.56</u>



**MONOTYPE INDIA LIMITED**

**Statement of Changes in Equity for the period ended 31 March 2022**

Note: 11

A. Equity Share Capital		( Amount in Lakhs)	
Particulars	Balance as at April 1, 2021	Changes during the year	Balance as at March 31, 2022
703121889 Equity shares of Rs. 1/- each	7,031.22	-	7,031.22

**B. Other Equity**

	Reserves and Surplus			Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	
Balance at the beginning of the reporting period	0.27	170.81	(10,403.27)	295.29
Total Comprehensive Income for the year	-	-	(227.76)	-
Transfer to retained earnings	-	-	-	-
Balance at the end of the reporting period	0.27	170.81	(10,631.03)	295.29
				(10,164.66)





11 Share Capital

(Amount in Lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
<b>Authorised Share Capital :</b>				
Equity shares of Rs 1/- Each	7250,00,000	7,250.00	7250,00,000	7,250.00
Preference Shares of Rs. 100/- Each	2,50,000	250.00	2,50,000	250.00
<b>Issued, Subscribed and fully paid up</b>				
Equity shares of Rs 1/- each fully paid up	7031,21,889	7,031.22	7031,21,889	7,031.22
		7,031.22		7,031.22

Terms / Rights attached to equity shares

The Company has only one class of equity share having par value of Rs 1 per share. Each holder of equity share is entitled to one vote per share held. All the equity shares rank pari passu in all respects including but not limited to entitlement for dividend, bonus issue and rights issue. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities in proportion to their shareholding.

Details of shareholders having more than 5% of the total equity shares of the Company

Class of shares/Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	No of Shares	% Held	No of Shares	% Held
Innocent Investment Consultants LLP	831,67,800	11.83%	831,67,800	11.83%
Sandeep Ispat Traders LLP	759,51,000	10.80%	759,51,000	10.80%

Details of Shareholding Pattern of Promoter and Promoter Group of the Company

Class of shares/Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	No of Shares	% Held	No of Shares	% Held
<b>Promoter:</b>				
Harsh Jain	452	0.00%	452	0.00%
Naresh Manakchand Jain	58,50,000	0.83%	58,50,000	0.83%
<b>Promoter Group:</b>				
Innocent Investment Consultants LLP	831,67,800	11.83%	831,67,800	11.83%
Sandeep Ispat Traders LLP	759,51,000	10.80%	759,51,000	10.80%
Swagatam Tradevin Ltd.	12363720	1.76%	12363720	1.76%

Reconciliation of number of shares outstanding and amount at the beginning and at the end of the year

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
<b>Equity Shares of par value Rs 1/- fully paid up</b>				
Outstanding at the beginning of the year	7031,21,889	7,031.22	7031,21,889	7,031.22
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	7031,21,889	7,031.22	7031,21,889	7,031.22



## Other Equity

Note No. 12

For the year ended 31 March 2022

(Amount in Lakhs)

	Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserves	Retained Earnings	
Balance at the beginning of the current reporting period	0.27	170.81	295.29	(10,403.27)	(9,936.90)
Profit/Loss during the year	-	-	-	(227.76)	(227.76)
Restated balance at the beginning of the current reporting period	0.27	170.81	295.29	(10,631.03)	(10,164.66)
Total Comprehensive Income for the current year	-	-	-	-	-
Balance at the end of the current reporting period	0.27	170.81	295.29	(10,631.03)	(10,164.66)

(i) Retained Earnings represents surplus i.e. balance of the relevant column in the Statement of Changes in Equity;

(ii) Debit balance of Statement of Profit and Loss is shown as a negative figure under the head 'retained earnings'. Similarly, the balance of 'Other Equity', after adjusting negative balance of retained earnings, if any, will be shown under the head 'Other Equity' even if the resulting figure is in the negative; and

(iii) Under the sub-head 'Other Equity', disclosure has been made for the nature and amount of each item.

For the year ended 31 March 2021

	Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserves	Retained Earnings	
Balance at the beginning of the current reporting period	0.27	170.81	295.29	(10,450.72)	(9,984.35)
Profit/Loss during the year	-	-	-	47.45	47.45
Restated balance at the beginning of the current reporting period	0.27	170.81	295.29	(10,403.27)	(9,936.90)
Total Comprehensive Income for the current year	-	-	-	-	-
Balance at the end of the current reporting period	0.27	170.81	295.29	(10,403.27)	(9,936.90)



Particulars	As at 31 March 2022	As at 31 March 2021
<b>Non Current Liabilities</b>		
13 Other non-current liabilities		
Statutory dues payable	12.10	31.52
	<u>12.10</u>	<u>31.52</u>
<b>Current Liabilities</b>		
14 Borrowings		
Unsecured		
Loans repayable on demand from other parties	3,076.74	3,948.87
Loans from related parties	298.74	317.89
	<u>3,375.49</u>	<u>4,266.76</u>
15 Total outstanding dues of creditors other than micro enterprises and small enterprises		
Unsecured considered good	770.36	770.36
	<u>770.36</u>	<u>770.36</u>
16 Other financial liabilities		
Current maturities of long-term debt	-	0.77
	<u>-</u>	<u>0.77</u>
17 Other current liabilities		
Expenses Payable	9.37	15.17
Professional Tax Payable	0.17	0.14
Balance with Revenue Authorities	(4.36)	(1.56)
Audit Fees Payable	1.28	1.28
Others	3.00	3.00
	<u>9.46</u>	<u>18.03</u>
18 Provisions		
Provision for Non Payment of GST	6.34	6.34
	<u>6.34</u>	<u>6.34</u>



Note No.	Particulars	As at 31 March 2022	As at 31 March 2021
19	Revenue From Operations		
	Sale of securities	1,724.92	879.60
	Other operating revenues	-	0.54
	Total	1,724.92	880.14
20	Other Income		
	Interest Income	-	0.00
	Office Space Sharing Income	1.20	1.10
	Total	1.20	1.10
21	Purchases of Stock-in-Trade		
	Traded securities	843.04	810.74
	Total	843.04	810.74
22	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		
	Stock at the beginning of the year		
	Stock in Trade	1,454.69	1,453.06
	Total (a)	1,454.69	1,453.06
	Stock at the end of the year		
	Stock in Trade	1,017.85	1,454.69
	Total (b)	1,017.85	1,454.69
	Changes in Inventories (a-b)	436.83	(1.63)
23	Employee benefits expense		
	Salaries and wages	-	0.85
	Total	-	0.85
24	Finance costs		
	Interest	4.05	6.59
	Other borrowing costs		
	- Bank Charges	-	0.04
	Total	4.05	6.63
25	Other expenses		
	Audit Fees	0.25	0.25
	Appeal Fee	0.12	-
	Annual Custody Fees	1.64	1.64
	Conveyance Expenses	0.01	0.05
	Electricity Expenses	0.44	0.21
	Legal & Professional Fees	0.35	0.75
	Listing Fees	5.30	4.10
	Monitoring Foreign Investment Charges	0.10	-
	Office & Administration expenses	0.01	0.04
	Postage & Telegram	-	0.01
	Printing & Stationery	-	0.00
	Speculation Loss	1.86	-



Profession Tax	0.03	0.03
Processing Fees Companies	-	0.36
Telephone Expenses	0.18	0.25
Office Rent	7.44	6.20
Round off	-	0.00
Repair and Maintance @18%	-	0.06
	17.72	13.94
Payments to the auditor		
Auditor	-	-
	17.72	13.94



26 Earnings per Share  
(Basic & Diluted)

Particulars	As at 31 March 2022	As at 31 March 2021
Net Profit / (loss) after tax for the year (in Rs.)	(227.76)	47.45
Profit / loss attributable to equity share holders (in Rs.)	(227.76)	47.45
Weighted Average Number of equity shares outstanding during the year	7031,21,889	7031,21,889
Basic and Diluted Earnings Per Share (Rs.)	(0.03)	0.01
Face Value per Share (Rs.)	1	1



27 Fair value measurements

Financial Instruments by category:

As at 31 March 2022

Particulars	Carrying Value				Fair Value hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
(i) Investments	-	-	-	-	-	-	-	-
(ii) Trade Receivable	-	-	0.70	0.70	-	-	-	-
(iii) Cash and Cash Equivalents	-	-	10.09	10.09	-	-	-	-
(iv) Loans	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	10.79	10.79	-	-	-	-
<b>Financial Liabilities</b>								
(i) Current Borrowings	-	-	3,375.49	3,375.49	-	-	-	-
(ii) Trade Payables	-	-	770.36	770.36	-	-	-	-
(iii) Other Financial Liabilities	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	4,145.84	4,145.84	-	-	-	-

As at 31 March 2021

Particulars	Carrying Value				Fair Value hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
(i) Investments	-	-	-	-	-	-	-	-
(ii) Trade Receivable	-	-	44.00	44.00	-	-	-	-
(iii) Cash and Cash Equivalents	-	-	7.81	7.81	-	-	-	-
(iv) Loans	-	-	52.27	52.27	-	-	-	-
<b>TOTAL</b>	-	-	104.08	104.08	-	-	-	-
<b>Financial Liabilities</b>								
(i) Current Borrowings	-	-	4,266.76	4,266.76	-	-	-	-
(ii) Trade Payables	-	-	770.36	770.36	-	-	-	-
(iii) Other Financial Liabilities	-	-	0.77	0.77	-	-	-	-
<b>TOTAL</b>	-	-	5,037.89	5,037.89	-	-	-	-

The carrying amounts of trade receivables, cash and bank balances, current loans, current borrowings, and trade payables are considered to be approximately equal to the fair value.

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and,

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian accounting standard. An explanation of each level is as follows :

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.



**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

## II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

- o Use of quoted market price or dealer quotes for similar instruments
- o Using discounted cash flow analysis.

The fair values computed above for assets measured at amortised cost are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of unobservable inputs.





## 28 Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

### A. Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables and loans) and from its financing activities (deposits with banks and other financial instruments).

#### Credit risk management

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The Company's maximum exposure to credit risk as at 31 March, 2022 and 2021 is the carrying value of each class of financial assets

### i Trade and other receivables

Credit risk on trade receivables is limited based on past experience and management's estimate.

Ageing of trade and other receivables that were not impaired was as follows. (Amount in lakhs)

Carrying amount	As at 31 March 2022	As at 31 March 2021
Neither Past due nor impaired	0.70	44.00
Past due but not impaired	-	-
Past due more than 180 days	-	-
<b>TOTAL</b>	<b>0.70</b>	<b>44.00</b>

### ii Cash and Cash Equivalents

The Company held cash and bank balance with credit worthy banks of Rs. 10.09 (Amount in Lakhs) at 31st March 2022, and [Rs. 7.81 (Amount in Lakhs) at March 31, 2021]. The credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks where credit risk is largely perceived to be extremely insignificant.

### B. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – trade payables and borrowings.

#### Liquidity risk management

The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the Company's credit rating and impair investor confidence.

The Company maintained a cautious funding strategy, with a positive cash balance throughout the year ended 31st March, 2022 and 31st March, 2021. This was the result of cash delivery from the business. Cash flow from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis. The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, are retained as cash and cash equivalents (to the extent required).



## Maturities of non-derivative financial liabilities

(Amount in Lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Financial Liabilities - Current				
i. Non Current Borrowings	-	-	-	-
ii. Current Borrowings *	3,375.49	-	4,266.76	-
iii. Trade payables	770.36	-	770.36	-
iv. Other Financial Liabilities	-	-	0.77	-
Total	4,145.84	-	5,037.89	-

**C. Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments. The Company is exposed to market risk primarily related to interest rate risk and the market value of the investments.

**i Currency Risk**

The functional currency of the Company is Indian Rupee. Currency risk is not material, as the Company does not have any exposure in foreign currency.

**ii Interest Rate Risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

According to the Company interest rate risk exposure is only for floating rate borrowings. Company does not have any floating rate borrowings on any of the Balance Sheet date disclosed in this financial statements.

**iii Price Risk**

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in quoted instruments.

**a Fair value sensitivity analysis for fixed rate Instruments**

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through Profit or Loss.

Therefore, a change in interest rates at the reporting date would not affect Profit or Loss.

**b Cash flow sensitivity analysis for variable rate Instruments**

The company does not have any variable rate instrument in Financial Assets or Financial Liabilities.

The company is exposed to price risk from its investment in equity instruments classified in the balance sheet at fair value through other comprehensive income.



## 29 Capital Management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.



**Additional Regulatory Information**

- (i) The Company does not have any immovable property, hence no disclosure regarding title deeds of Immovable Property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) is required to be disclosed.
- (ii) During the year, the Company has not realised its Property, Plant and Equipment (including Right-of-Use Assets).
- (iii) The company does not hold any intangible assets during the year March 31, 2022.
- (iv) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (v) No Loans or Advances in the nature of loans has been granted to promoters, Directors, KMP's and the related parties (as defined under Companies Act, 2013) during the year.
- (vi) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (vii) The Company has not borrowed any amount from banks or financial institutions on the basis of security of current assets.
- (viii) As per the information available with us, the Company did not have any transactions with companies struck off during the financial year.
- (ix) Following Ratios to be disclosed:-

Particulars	Formula	31st March, 2022	31st March, 2021	Change	Where the change between the ratios of Previous Year and Preceding Previous Year exceeds 25%, the Management has provided following explanation for the same
(a) Current Ratio,	Current Assets/Current Liability	0.25	0.31	-20.51%	N.A
(b) Debt-Equity Ratio,	Total Debt/Shareholder's Equity	(1.08)	(1.47)	-26.64%	During the year the revenue of the Company has increased and amount has been collected from Debtors
(c) Debt Service Coverage Ratio,	$\frac{\text{Earnings after tax but before interest, depreciation and exceptional items}}{\text{Interest expense} + \text{principal payments of}}$	0.00	0.00	18.61%	N.A
(d) Return on Equity Ratio,	$\frac{\text{Net Profit before exceptional items/Shareholder's Equity}}{\text{Sales/Average Inventory}}$	(0.13)	(0.02)	720.05%	During the year, the profitability of the Company has decreased.
(e) Inventory turnover ratio,	Sales/Average Inventory	1.40	0.61	130.46%	During the year, the revenue of the Company has increased.



(f) Trade Receivables turnover ratio,	Net credit Sales/Average Trade Receivables	77.18	0.09	87780.75%	During the year the revenue of the Company has increased and amount has been collected from Debtors
(g) Trade payables turnover ratio,	Total Purchases/Average Trade payables	1.09	0.00	5294200.61%	N.A
(h) Net capital turnover ratio,	Net Sales/Capital Employed	(0.55)	(0.30)	81.74%	During the year, the revenue of the Company has increased and with increased revenue, the expenses have also increased
(i) Net profit ratio,	Net Profit/Net Sales	(0.13)	0.05	-344.91%	During the year, the revenue of the Company has increased and with increased revenue, the expenses have also increased
(j) Return on Capital employed,	EBIT/Capital Employed	(0.14)	(0.02)	626.98%	During the year, the revenue of the Company has increased and with increased revenue, the expenses have also increased
(k) Return on investment,	Net Profit/Investments*100	NA	NA	NA	NA

**Where,**

Shareholder's Equity = Equity Share Capital + Reserve and Surplus

EBIT = Earning before interest and Tax

Capital Employed = Share holder's Equity + Long term debt

Net Assets = Total Assets - Current Liability

Current Liability = Total Current Liabilities - Current maturities of non current borrowing

(vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year 2021-22.

(vii) Due to Non-availability of information about the amount dues to small/micro undertaking, we are unable to comment that the interest if any is due to such undertaking or not.

(viii) There is no obligation in respect of gratuity and leave encashment during the year March 31,2022

(ix) Balances are relied upon as per books of accounts wherever the confirmations from debtors /creditors /Loans /Advances are not available. Debtors and Creditors Balances are subject to Confirmation. Debtors & Creditors Balances are as per Management Representation and relied upon by the Auditors.

(x) Corporate social responsibility

Amount required to be spent by the

(a) company during the year NA

(b) Amount of expenditure incurred NA

(c) Nature of CSR activities NA



(xv) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xvi) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xvii) There is no "undisclosed income" which has been reported by the Company during the assessment.

(xviii) The Company was under CIRP Process from 18th February 2020 till 25th January 2023 and the Financial Statements pertain to that period. As on the date, the said Financial Statements need to be finalized and audited, in order to comply with the Applicable Laws.



# MONOTYPE INDIA LIMITED

Notes to the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022

## Other Notes to Accounts

### 31. Micro, Small and Medium Enterprises

The Company has no dues to Micro, Small and Medium enterprises as at 31<sup>st</sup> March, 2022, on the basis of information provided by the parties and available on record. Further, there is no interest paid / payable to micro and small enterprises during the said financial year.

### 32. Transaction in Foreign Currency

Sr. No.	Particulars	31.03.2022	31.03.2021
1	Earning in Foreign Currency	Nil	Nil
2	CIF Value of Imports	Nil	Nil
3	Expenditure in Foreign Currency	Nil	Nil

### 33. Segment Information

Company is engaged in the business of Trading in Shares and incidental activities thereto which, in the context of Ind AS 108 on Operating Segments, constitutes a single reportable segment.

### 34. Related Party Transaction

Disclosure in accordance with Indian Accounting Standard-24 – Related Party transactions during the financial year ended 31<sup>st</sup> March, 2022.

#### i) Companies / Firms in which Director, Director's relatives are Directors / Shareholders / Partners / Companies

Cinch Multitrade Private Limited

Aagam Capital Limited

Elan Capital Advisors Private Limited

Jupiter City Developers (India) Limited

#### ii) Key Managerial Personnel

Naresh Jain (Whole Time Director & CFO; Appointed as CFO w.e.f 29<sup>th</sup> November, 2018)



# MONOTYPE INDIA LIMITED

Notes to the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022

## iii) Key Managerial Personnel Compensation

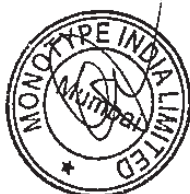
(Amount in Rs.)

	Naresh Jain (WTD & CFO)
Short-Term Employee Benefits	Nil (Nil)
Post-Employment Benefits	Nil (Nil)
Other Long-Term Benefits	Nil (Nil)
Termination Benefits	Nil (Nil)
Share-Based Payment	Nil (Nil)
Total	Nil (Nil)

(Figures in bracket represent previous year's figures)

## iv) Significant Transactions with related parties

Sr. No.	Name of Party	Nature of Transaction	Current Year (2021-22) Amount in Rs.	Previous Year (2020-21) Amount in Rs.
1	Naresh Jain	Loan Taken	2,78,78,618	5,56,580
		Loan Repaid	6,50,000	22,00,000
		Loan o/s at year end	2,81,46,471	9,17,853
2	Aagam Capital Limited	Rent Received	1,00,000	80,000
		Loan Taken	-	-
		Interest on Loan	2,23,832	2,80,177
		Sale of shares	-	-
		Loan Repaid	11,00,000	20,000
		Loan o/s at year end	16,93,013	25,91,564
3	Cinch Multimedia Private Limited	Loan Taken	-	55,00,000
		Loan Repaid	1,77,00,000	-
		Loan o/s at year end	35,000	1,77,35,000
4	Elan Capital Advisors Private Limited	Payment done regarding Expenses incurred on behalf of Company	11,700	-
		Balance o/s at year end	-	11,700
5	Jupiter City Developers (India) Limited	Loan Taken	2,55,000	-
		Loan Repaid	1,08,00,000	-
		Loan o/s at year end	-	1,05,45,000





**MONOTYPE INDIA LIMITED****Notes to the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022****35. Contingent Liability to the extended not provided for**

i. Central Excise Liability under dispute Rs. 16,34,397/- (P.Y. Rs. 16,34,397/-).

**ii. SEBI Penalty**F.Y. 2020-21

The SEBI has imposed an penalty of Rs. 5,00,000/- on the Company vide Adjudication Order No. Order/BD/ AA/2020-21/ 10233-10255 under section 12A (a), (b) and (c) of the SEBI Act read with Regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) and (g) of the PFUTP Regulations. The Company has not recorded this penalty in the year 2020-21 since the Company was under CIRP process from 18<sup>th</sup> February 2020 to 25<sup>th</sup> January 2023 and Company is seeking legal opinion over the said penalty.

F.Y. 2021-22

The SEBI has imposed an penalty of Rs. 1,00,000/- on the Company vide Adjudication Order No. Order/GR/RK/2021-22/14175 under section 15-I of the SEBI Act, 1992 read with Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995. The Company has not recorded this penalty in the books during the year since the Company was under CIRP process from 18<sup>th</sup> February 2020 to 25<sup>th</sup> January 2023 and Company is seeking legal opinion over the said penalty.

**iii. Disputed Dues**

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which Demand relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	9,11,05,902/-	F.Y 2013-14	Appeal in CIT
Income Tax Act, 1961	Income Tax	5,56,44,383/-	F.Y.2012-13	Appeal in CIT
Income Tax Act, 1961	Income Tax	1,59,98,278/-*	F.Y.2017-18	Appeal in CIT
Income Tax Act, 1961	Income Tax	3,69,03,180/-*	F.Y.2018-19	Appeal in CIT
Income Tax Act, 1961	Income Tax	80,53,600/-*	F.Y.2016-17	Appeal in CIT
Income Tax Act, 1961	Income Tax	2,20,37,037/-	F.Y.2014-15	Appeal in CIT
Income Tax Act, 1961	Income Tax	45,28,840/-*	F.Y.2015-16	Appeal in CIT

\* Rectification filed with CPC Order



## MONOTYPE INDIA LIMITED

Notes to the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022

### 36. Balance written off during the Year

- i. The amounts recoverable from several companies have been written off during the year as the Company has entered into binding agreements for such settlement of such amounts received and/or to be received. Therefore, the portion of amounts not receivable consequent to such binding agreements, have been written off.
- ii. For companies where the company has to pay certain dues, the payable amounts have been written off due to several reasons being:
  - a) Companies are under Liquidation and/or Liquidated, therefore their claims are discharged and will not be payable as on date of signing of financial statements.
  - b) Companies have not filed claims with the IRP/IP during the CIRP process. Therefore, as per management estimate and opinions obtained, these dues are no longer payable as since the statute of limitations has expired as on date of signing the Financial Statements as on the date of signing of Financial Statements.
  - c) Companies have entered into binding agreements for settlement of such amounts, the portion of amounts not payable consequent to such binding agreements, have been written off.

### 37. Balance Confirmation

The debit and credit balances for Unsecured Loans (Loan from Companies & Loan from Related Parties), Advances, Debtors, Creditors and other Balances are subject to confirmation and reconciliation.

### 38. Dues/Outstanding Demand pertaining to Previous Assessment Years

Any Dues and/or Outstanding demands pertaining to any previous Financial Years, preceding the financial year under audit that are served after the end of the financial year under audit are disclosed in the Financial Statements of the year in which such communication or Demand Notice/Order have been served.



**MONOTYPE INDIA LIMITED**

Notes to the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2022

**39. Prior Year Comparatives**

Previous year figures have been regrouped, re-arranged or reclassified wherever necessary to conform to the current year classification. Figures in brackets pertain to previous year.

As per our report on even date

For MONOTYPE INDIA LIMITED

For B M Gattani & Co.

Chartered Accountants

ICAI Firm Regn No. 113536W

*Battani*

Balmukund N Gattani

Proprietor

Membership No. 047066



*(Narash Jain)*

Whole time Director & CFO

DIN: 00291963



*(Suryakant Kadakane)*

Director

DIN: 02272617

Date: 08/08/2023

Place: Mumbai

VDIN - 23047066BG@FHG 7314