Key Information

40th annual report 2009

Board of Directors	
Chairman	Mr. Lawrence Jennings
Vice Chairman	Mr D E Udwadia
Director	Mr W Hanson Farries
Director	Mr A Contractor
Director	Mr R R Chari
Managing Director	Mr Rajiv K Seth
Chief Financial Officer	Mr Gautam Mukherjee
Company Secretary	Mr S M Krishnan (upto 22-04-2010)
Legal Advisors	Messrs Udwadia & Udeshi Solicitors & Advocates Elphinstone House, 1st Floor, 17, Murzban Road, Mumbai – 400001
Auditors	Messrs Deloitte Haskins & Sells 8th Floor ASV Towers Old No. 37, New No 52, Venkatanarayana Road T Nagar, Chennai – 600017
Bankers	BNP PARIBAS Landmark Building, 3rd Floor, 21/15, M G Road,Bengaluru – 560001 Vijaya Bank, 2A, Residency Road, Bengaluru – 560025
Corporate Office	HMG Ambassador, 137, Residency Road, Bengaluru – 560025
Registered Office	21, Patullos Road, Chennai – 600002
Other Offices	Brigade Towers,135, Brigade Road, Bengaluru – 560025 Salarpuria Citadel, 3, Hosur Road, Adugodi, Bengaluru – 560027 Midford Crescent,53/1, Richmond Road, Bengaluru – 560025 69, Eldams Road, Teynampet, Chennai – 600018 SDF K Block, Nos 6 and 7, NSEZ, Noida Dadri Road, Phase II, Noida – 201305 865, Udyog Vihar, Phase V, Gurgaon – 122016
Overseas Offices, UK	The Macmillan Building, 4 Crinan Street, London N1 9XW, England, UK
USA	810, SE, Sherman Suite B, Portland, OR 97214, USA 234, Cabot Street, Beverly, MA 01915, USA
Subsidiary Companies	MPS Technologies Ltd DLF Corporate Park,Block 3A, 4th & 5th Floor, Gurgaon, 122002, Haryana MPS Content Services Inc 810, SE, Sherman Suite B, Portland, OR 97214, USA MPS Content Services India Private Ltd C.7 Lajpat Nagar, New Delhi – 110024 MPS Mobile Inc. 810, SE, Sherman Suite B, Portland, OR 97214, USA (Dissolved w.e.f 28.12.2009)
Registrars and Share Transfer Agents	Cameo Corporate Services Limited Subramanian Building, 1, Club House Road Chennai – 600002

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MPS
A Macmillan Company

PUBLISHING SERVICES SALES TREND-LAST 10 YEARS

Note: Represents sales of MPS Ltd (Formerly Macmillan India Ltd).

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KEY FINANCIALS

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Rs in Lacs										
INCOME										
Sales										
Publishing Services*	2,946	3,078	4,210	6,232	8,236	8,657	9,807	8,637	12,219	13,995
Publishing**	3,274	3,840	3,936	3,938	4,330	4,833	4,889	6,103	4,031	
Total Sales	6,220	6,918	8,146	10,170	12,566	13,490	14,696	14,740	16,250	13,995
Interest	220	212	200	340	305	292	227	199	44	26
Other Income	144	339	339	238	73	251	285	544	139	251
Total Income	6,584	7,470	8,685	10,748	12,945	14,034	15,209	15,484	16,433	14,273
EXPENDITURE										
Expenditure	3,417	4,379	5,522	6,831	7,873	9,357	11,180	12,775	13,491	12,772
Depreciation	373	353	397	431	435	482	485	571	613	632
Total Expenditure	3,790	4,732	5,920	7,262	8,308	9,840	11,665	13,347	14,104	13,404
Profit before Extra-ordinary items	2,793	2,737	2,767	3,485	4,636	4,193	3,543	2,137	2,328	868
Less: Provision for diminution	106	23								
in value of Investments										
Profit before Taxation	2,687	2,714	2,767	3,485	4,636	4,193	3,543	2,137	2,328	868
Provision for Taxation	715	448	379	380	300	100	40	321	512	156
Profit After Taxation	1,972	2,265	2,386	3,105	4,336	4,093	3,502	1,816	1,816	712

Note:

(i) Represents key financials of MPS Ltd (formerly known as Macmillan India Ltd).

(ii) * Publishing services sales for 2008 also includes the sales of Charon Tec Ltd & Macmillan-ICC Publishing Solutions Pvt Ltd, which were merged effective 31st Dec, 2007 with the Company.

(iii) ** Publishing Sales for 2008 includes only the portion attributable for the period from 01.01.2008 till 11.05.2008.

MPS
A Macmillan Company

The Directors are pleased to present the **Fortieth Annual Report** together with the Accounts for the year ended 31st December 2009.

The profit for the year is as under.

Rs. in lacs

Accounts	Year* ended 31.12.2009	Year ended 31.12.2008
Profit for the year after depreciation and taxation	**712.65**	1,816.09
To which is added:		
Surplus brought forward from previous year	**8,650.99**	12,977.57
From which is deducted: Adjustments arising on account of Scheme of Arrangement	**–**	(5,642.67)
	9,363.64	9,150.99
Appropriations:		
Proposed Dividend	**168.23**	–
Corporate Tax on Dividend	**28.59**	–
Transfer to General Reserve	**500.00**	500.00
Surplus carried forward	**8,666.82**	8,650.99
	9,363.64	9,150.99

* Figures are not comparable to previous year due to demerger of the domestic publishing business in 2008.

Dividend

The Directors have recommended a final dividend of 10% (i.e. Re. 1 per equity share) for the financial year ended 31st December, 2009, which, if approved at the forthcoming Annual General Meeting, would be paid to all those Members whose names appear in the Register of Members as on 1st July 2010.

Transfer to reserves

In accordance with the provisions of the Companies Act, 1956 read with Companies (Transfer to Reserves) Rules, 1975, the directors propose to transfer a sum of Rs. 500 lacs to general reserve out of the profits earned by the Company. A sum of Rs. 8,666.82 lacs is proposed to be retained in the profit & loss account.

Progress of the business

The sales for the year in respect of the Publishing Services business was Rs.140 crores as against of Rs.122 crores (after eliminating Rs. 40 crores sales of Publishing entity demerged from Company on 12th May, 2008) for the corresponding previous year. The net profit after tax was Rs.7.13 crores giving an EPS of Rs. 4.24 per Rs. 10 share."

The lower profitability as compared to the previous year is mainly due to the following reasons:

- Recessionary conditions in the major markets and strong competition, leading to higher discounts, pricing pressures and continuing commoditization of the core journals and books services markets.
- Strategic investments made in new technologies and processes which have increased short term cost but will produce benefits in future years.
- Demerger of the domestic publishing business with effect from 12th May 2008 as a consequence of the implementation of the Scheme of Arrangement.

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Business Outlook

The company renamed itself as MPS Limited and brought all its services and its subsidiary MPS Technologies' services under the same brand – MPS. This has improved the company's image as a complete solutions provider and opened up more opportunities to cross-sell our services.

The year has seen an expansion of our client base into new segments like university presses and magazines. The magazine production team has received magazine work from existing clients and has partnered with a large IT company to bid for new clients jointly; we expect this business to keep growing in the next year. With the availability of better reading devices, the demand for digital and online content has seen tremendous growth. This has forced publishers to change their digital strategies and the eBook, enhanced learning and new media segments are expected to show significant growth next year.

The company evolved during the year in response to market changes and adopted a new sales process. This process puts greater responsibility and accountability on the production teams for maintaining existing clients. This will enhance our sales focus in bringing in new business.

Detailed analysis, discussion and progress are given in the segmental reporting section in the Management Discussion and Analysis Report of the Annual Report.

Acquisitions and Subsidiary Companies

The registration of MPS Mobile Inc which was incorporated as a subsidiary of MPS Content Services Inc, USA in 2009 as a legal entity was de-activated with the Office of the Secretary of State, Oregon due to onset of recessionary conditions and downturn in the global economic environment.

MPS Mobile Inc, a subsidiary of MPS Content Service Inc (formerly ICC Macmillan Inc, USA) which was formed during the year was dissolved on 28th December 2009 since the company did not commence business.

Approval under Section 212 (8) of the Companies Act, 1956 was received from the Ministry of Company Affairs exempting publication of the accounts of the subsidiary companies and therefore the accounts of MPS Technologies Limited, MPS Content Services India Private Limited (Formerly ICC India Private Limited) MPS Content Services Inc, USA (Formerly ICC Macmillan Inc, USA) and MPS Mobile Inc are not attached. Financial information of the subsidiary companies, as required by the said approval, is disclosed in the Annual Report. Pursuant to Clause 41 of the Listing Agreement and as prescribed by Accounting Standard-21 issued by the Institute of Chartered Accountants of India, the audited consolidated financial statement incorporating accounts of the subsidiary companies are attached. The Company will, however make available the annual accounts of the subsidiary companies and the related detailed information to the holding and subsidiary company investors seeking such information at any point of time. The annual accounts of the subsidiary companies will also be available for inspection by any investor in its registered office and at the offices of the concerned subsidiary companies.

Detailed analysis, discussion and progress of the subsidiaries are given in the segmental reporting section in the Management Discussion and Analysis section of the Annual Report.

Awards and Recognition

The Company won the Special Export Award for 2008–09 from CAPEXIL in its category of products.

Overall Company Aims

The Company's current strategy remains:

To increase the size, scope and technological advantage of its business as a global, high value-add, IT-enabled service provider for publishing activities and be a leader in this area. The strategic intent is to play a major part in the harnessing of India's skills, abilities and cost-advantages and to contribute to India's domination of IT-enabled services in the coming years.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Out-going

The provisions regarding disclosure of particulars in Form A with respect to Conservation of Energy are not applicable to the Publishing Services industry as the operations are not energy- intensive. However constant efforts are made to make the infrastructure more energy efficient. Particulars regarding Technology Absorption, Research and Development in Form B are annexed to this report.

During the year under review, foreign exchange earned through exports was Rs. 14,057 lacs as against Rs. 12,239 lacs for the year ended 31st December 2008. The outgo of foreign exchange was Rs. 1,584 lacs as against the previous year outgo of Rs. 1,696 lacs. Thus the net foreign exchange earned by the Company was Rs. 12,473 lacs. The details of earnings and outgo are given in the Notes forming part of the Accounts for the period ended 31st December, 2009.

Directors

Under Articles 139 to 142 of the Articles of Association of the Company, Mr. D E Udwadia and Mr. R R Chari retire by rotation and being eligible, offer themselves for reappointment.

Auditors

The Company's Auditors, Messrs. Deloitte Haskins & Sells, Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

As required under the provisions of section 224(1B) of the Companies Act, 1956, the Company has obtained a written certificate from Messrs. Deloitte Haskins & Sells, Chartered Accountants, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

Observations in the Auditors' Report

With reference to point no. (vi) of the Auditors' Report, it is submitted that the Company has submitted an application with the Ministry of Corporate Affairs, New Delhi, in e-Form 25A on 6th July 2009 with respect to the appointment of Mr. Rajiv K Seth as the Managing Director of the Company for a period of three years with effect from 1st February, 2009 till 31st January, 2012 on the terms and conditions as approved by the Remuneration Committee, the Board of Directors and the Shareholders at the 39th Annual General Meeting held on 23rd June, 2009; the approval of the Central Government is awaited.

Particulars of Employees

Information as per sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 forming part of the Directors' Report for the year ended 31st December 2009 is annexed to this Report.

Employee Stock Option Scheme

The Members at the Annual General Meeting on 30th June 2005 had approved formulation of the "Employee Stock Option Scheme" for the eligible employees including Directors of your Company and its subsidiaries. No stock option was granted until the year ended 31st December 2009.

Clause 49 Requirement

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a compliance report on Corporate Governance together with a certificate from the statutory auditors confirming compliance with the conditions of corporate governance stipulated in the said clause, is annexed to this report.

A declaration of Code of Conduct from its Managing Director, Mr Rajiv K Seth forms part of the Corporate Governance Report.

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The Board has laid down a "Code of Conduct" for all Board members and senior management of the Company and the "Code of Conduct" has been posted in the website of the Company, www.macmillanpublishingsolutions.com.

CEO/CFO Certification

Mr. Rajiv K Seth, Managing Director and Mr. Gautam Mukherjee, Chief Financial Officer of the Company have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

Director's Responsibility Statement

Pursuant to sub-section (2AA) of Section 217 of the Companies (Amendment) Act 2001, the Directors confirm that:

i. In preparation of the annual accounts, the applicable accounting standards have been followed and proper explanations have been provided for material departures, wherever applicable.

ii. The Directors have selected such accounting policies and applied them consistently, and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st December, 2009 and the profit of the Company for the financial year ended 31st December, 2009.

iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Company's Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. The Directors have prepared the annual accounts on a 'going concern basis'.

Acknowledgements

The Directors wish to place on record their deep appreciation of the support and guidance received from Macmillan, UK and Verlagsgruppe Georg Von Holtzbrinck, Germany. The Company is dependent for its success on the support of its members, its authors, its customers and above all its management and staff and the Directors wish to place on record their deep appreciation of this support during the year.

For and on behalf of the Board of Directors

Bengaluru
3rd March 2010

LAWRENCE JENNINGS
CHAIRMAN

Form B

Disclosure of Particulars with Respect to Technology Absorption,

Research & Development:

1. Specific areas in which R & D was carried out by the Company	The Company continued its effort towards development of the following: • Development of advanced of editing tools • Implementation of advanced graphics automation tools • Implementation of workflows/processes • Data delivery systems automation • *Integration with customers content management systems* • Centralized helpdesk using open source software • Virtualization of servers • Optimization of bandwidth and firewall implementation
2. Benefits derived as a result of the above R&D	• Consolidation of IT resources • Optimized bandwidth usage & management • Improved business continuity at optimized cost • Data security and protection for external treats • Improved communication standards and cost efficiency • Improvement in quality and consistency of service deliveries • Improved productivity • Improved competitive positioning
3. Future plan of action	• Efficiency and optimization of print management services • Further improvement in business continuity and disaster recovery plan • Centralization of key processes for cost efficiency • Improved process atomization resulting in productivity increase
4. Expenditure on R & D	• Included in appropriate heads

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Technology absorption, adaptation and innovation:

1. Efforts in brief made towards technology absorption, adaptation and innovation	• Adoption of PCI-TSS standards of Data security • Implementation of ITIL process frame work and IS 27001 • Adoption of batch pagination technologies
2. Benefits derived from the above	• Improved productivity • Standardization of measurement techniques and information flows • Ability to produce and deliver larger value at existing resource level
3. Imported Technology	• No technologies were imported

Information as per Section 217 (2A) of the Companies Act 1956, read with the Companies (Particulars of E
Report for the year ended 31st December 2009

Name	Designation, Nature of Duties	Age	Remuneration (Rs.)	Qualification	
Arun Prakash Goyal	VP – IT Infrastructure	53	29,81,581	BE, M.Tech	
David Aubrey	Sales Manager	58	28,43,168	BA	
Gautam Mukherjee	Chief Financial Officer	47	40,29,195	B.Com (Hons), FCA	
Gina Faulk#	Director of Sales	37	42,48,744	BA	
James Link	Manager – IT (North America)	60	30,28,180	BA	
John Sollami	VP – Client Relations (North America)	62	72,30,755	BA	
Kenneth Leahy	Director of Sales	66	45,87,994	BS, MBA	
Mary Etta Burt#	Manager – Sales Support	27	9,03,210	BS, MBA	
Nakul Parashar	AVP – Books Division	43	24,97,868	M.Sc, PhD	
Narendra Kumar V	VP – Production Technology	40	38,42,130	BE	
Patrick Casey	Director of Sales	56	48,71,354	BA	
Rajiv Kumar Seth	MD & CEO	57	1,16,53,359	B.Tech, PGDBM	
Raman Tiwari	Chief Operating Officer	46	39,89,183	BE, PGDBM	
Ratan Hastu	Chief Projects Officer	53	31,21,917	M.Sc, MBA	
Ravi Kiran Luthra	VP – Corporate	48	25,16,821	BE, MBA	
Rose Rummel-Eury	Sales Manager	51	32,56,156	BS	
Sanjiv Bhatnagar	VP – Strategic Account Management	45	28,10,468	M.Sc, MMS	
Sumit Roy	VP – Business Process & Application	38	29,12,404	BE, PGDM	
Tejpal Singh Likhari	VP – Fulfilment Services	45	26,20,170	BA	
Todd McClincey	Sales Manager	33	27,01,120	BA	
Venu Prasad Menon	AVP – Learning & New Media Services	37	27,13,960	B.Sc, AMIE, MBA	
William Clark	Manager – Account Coordination	58	37,25,046	BA, MA	
William Manfull#	EVP – North America	50	57,84,168	BS	

For part of the Year

Notes:
a. All employments are contractual, other terms and conditions as per Company's rules.
b. Remuneration includes salary, allowances, commission, medical reimbursement, leave travel assistance, contribution to pr
c. None of the employees are related to any directors.

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f Employees) Rules, 1975 and forming part of Directors'

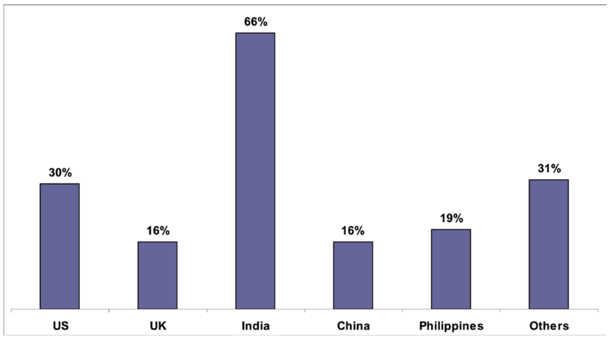
	Total Working Experience	Date of commencement of employment	Last employment held before joining the company (duration in years)
	30	19.09.2005	Sr. Vice President, Visual Soft Technologies (2)
	33	22.12.2008	Sales Manager, ICC Macmillan, (1)
	23	04.07.2007	Sr. Vice President – Corporate, Cyber Media India Limited (7)
	14	22.12.2008	Director of Sales, ICC Macmillan, (11)
	37	22.12.2008	Manager IT, ICC Macmillan, (11)
	24	01.01.2008	Director – Editorial Design & Production, Oxford University Press (3)
	39	03.11.2008	Account Manager, Mazer Corporation, (10)
	5	16.07.2009	Manager Sales Support, Nature Publishing Group, (2)
	20	06.10.2006	Group Head Delhi Operations, SPI Technologies (2)
	19	23.07.2001	Associate Director, Scientific Publishing Services (5)
	33	22.12.2008	Director of Sales, ICC Macmillan, (1)
	34	04.09.2007	President, Cyber Media India Limited (3)
	23	11.07.2007	Head – KPO, Value Chain International (3)
	27	16.03.2005	Vice President – Business Development, Net Work Programs (India) Ltd. (5)
	24	28.02.2005	Vice President – Production, S R Nova Pvt Ltd. (2.3)
	29	22.12.2008	Sales Manager, ICC Macmillan, (9)
	22	15.09.2006	Vice President – Operations, Tricom India Limited (1)
	15	18.12.2006	Logistics Business Expert, Hewlett Packard (2.5)
	20	28.02.2008	Vice President – International Operations, Teletech International (1)
	10	22.12.2008	Sales Manager, ICC Macmillan, (1)
	15	10.10.2007	Head – India Business Development, Sify Limited (4)
	37	22.12.2008	Editorial Manager, ICC Macmillan, (8)
	27	23.06.2008	Vice President – Business Development, Affinity Express, Portsmouth, NH (3)

provident, superannuation and gratuity funds and perquisites, which have been evaluated on the basis of Income Tax Rules.

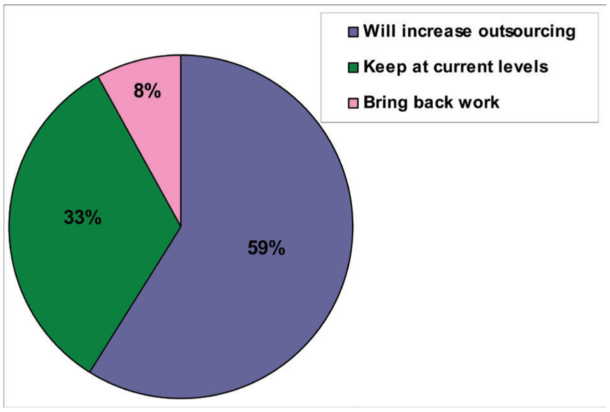
(A) INDUSTRY STRUCTURE AND BUSINESS DEVELOPMENT

(This section of the report draws upon data from the ValueNotes Publishing Survey 2009–2010 published by ValueNotes Database Private Ltd.)

The company continued to grow despite a global recessionary trend. Despite the fact that other regions have developed competitive pre-press services and with the election of the new US government, the climate there is less favourable towards off-shoring, India remains the favoured outsourcing destination for publishers in the West.



Furthermore, reliable market survey indicates that small and medium publishers want to increase outsourcing this year. The company is well set to capitalize on this.



After changing the company's name to MPS Limited, the company now brands itself as MPS. However, it continues to reinforce the strong links with our parent company, Macmillan, with the continued use of the Macmillan emblem and by referring to itself as a Macmillan Company. The Company has re-positioned itself as a provider of a comprehensive suite of services, rather than a seller of stand-alone services. This change is being well-received by the market and the focus will be on cross-selling to existing clients and acquiring new clients from existing and new domains.

The Company has been able to extend its presence in the university press segment through large contracts as well as expand our client base in the education segment in the UK. MPS was also able to successfully scale up magazine services for a couple of large clients; the magazine production workflow skill-sets are stabilising and are poised for significant growth in 2010. Demand for high value-add services from the creative services division has also seen good growth. The division has partnered with a large IT giant to service clients jointly. The sales effort will be directed towards such new sectors to drive growth in the coming year.

There is a trend of large publishers negotiating lower prices this year. As a result, the company has developed a new sales process to direct efforts at expanding the client base. At the same time, customers are expecting a greater level of automation and shorter turnaround times in several service areas.

The recessionary trend has forced publishers and buyers to seriously consider publishing their content in digital formats, and online, to take advantage of the cost benefits involved. Their customers too, both institutions and individual consumers, are more and more opting for non-print content. California, for example, has recently announced that it will stop purchasing print textbooks and replace them with eBooks, and there is a growing interest in eBooks and eReaders across the globe. MPS Limited is well poised to exploit this opportunity with its array of digital and online solutions. There is still no definitive eBook format and as electronic reading devices continue to proliferate – there are currently about 30 different devices including Amazon's Kindle, the Sony eReader, B&N's Nook and Apple's iPad – demand for a variety of conversion and content enrichment services continues to grow, to our benefit.

With demand for digital content on the rise, all publishers now want to sell their content online. This will contribute to the growth of MPS Technologies and the impetus this year will be on selling their services to non group companies.

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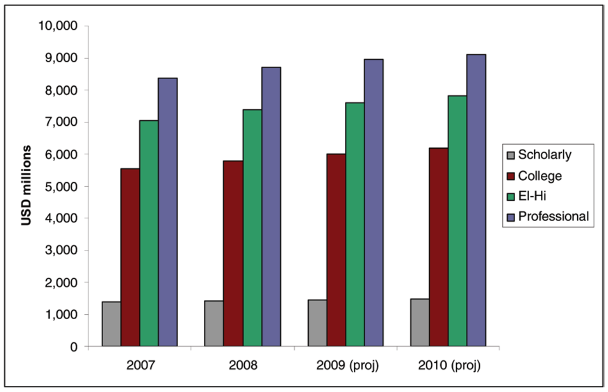
(B) OPPORTUNITIES AND THREATS

While there are ample opportunities in this industry, there are also factors that could impact growth.

Opportunities:

The May 2009 Global Trends Report from the Book Industry Study Group, a leading book industry association, suggests that all of the major sectors that we serve will see a steady growth rate of 2%–3%.



Other opportunities are set to open up as school publishers will demand more value-add services as they move towards online, digital content. The demand for online learning and assessment and related services will see an increase this year as more schools are expected to follow California and adopt eBooks. MPS's new product MediaSuite, which creates digital interactive flipbooks enriched with audio and visual media, is poised to be a key beneficiary of this shift in market demand. The demand for online learning and assessment will also drive growth for learning and new media solutions.

The recession is forcing publishers to look for cost-effective sources for subscription and fulfillment services as well and these will see an increase in off shoring. This opportunity will however also see increased competition from voice-based BPOs as the entry barriers into this market are low for them.

Aggregation, abstracting and indexing services will see continued growth from STM publishers as online database access and semantic search becomes important for them.

The demand for digitization services will keep rising as more and more publishers are finding new markets for their backlists. The digitization services market is fast becoming commoditized and we are moving towards automation to keep up with the market demands and cost pressures.

As mentioned earlier, we expect growth in the demand for editing, design and composition of magazines. There is also scope for large contracts and design-intensive projects in this segment.

The recession has also helped MPS to hire the services of foreign nationals who will work from India to improve its overall quality of sales and client engagements.

Threats:

The company's operations are completely computer-based and dependent on the smooth functioning of its hardware and software. A virus attack or rapid change in technology could have an adverse effect on the business. To this end, advanced anti-virus measures have been taken and the company invests heavily in new technology to stay ahead of the game.

Typesetting and other traditional publishing services are becoming commoditised and profit margins from these services are decreasing. The company is thus using automation to a far greater extent to increase efficiency and is diversifying into higher end, value-add services.

(C) RISKS AND CONCERNS

The risks and concerns envisaged and their mitigation continue to be:

- Tax rate risk due to tax law changes on taxing of export profits. The export profits had been brought under MAT from 1st April 2007. The tax holiday on exports expires on 1st April 2011. In respect of the Bengaluru Unit, the tax holiday expires on 1st April 2010.

- Disaster and security risk: This is a major concern for all IT/ITES companies. This is being mitigated by identifying and using alternative sites for data storage and protection.

- Technological risk: Adoption of newer technologies by clients is expected to force service providers to adopt newer technology involving substantial investments in workflow and manpower management. However adoption of new technology platforms by clients is quite limited which helps to mitigate the risks.

- The currency exchange fluctuation risk: To a certain extent this is mitigated by taking adequate foreign exchange cover.

- Industry risk: As the Company is dependent on overseas publishers; any downturn in a customer's business could have an impact. This risk is mitigated by the diversification of business and customer base. As mentioned, the global recession should benefit the company because of cost-cutting measures abroad.

- Customer concentration risk: The Company depends on a relatively small number of key overseas publishers. This risk is being mitigated by expanding the customer base.

- Competition risk: With the increasing availability of equipment, processing knowledge and low cost commoditisation, the barriers to entry into typesetting and other low-end services have eased significantly. This risk is being mitigated through updation of workflow technology and increased automation.

- Pricing pressure risk: This is a constant risk due to effect of increased competition. It is the company's endeavour to reduce the impact of pricing pressures by increasing productivity ramping up volumes and moving up the value chain.

- Political risk: As MPS services are exported, any ban on outsourcing services by a country which imports MPS services would affect the export business. However this risk is regarded as low in the era of globalization.

- The Learning and New Media Services division has fresh competition from organizations moving from education services to content development and courseware.

(D) SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE

Consequent to the restructuring scheme as approved by the Honourable Madras High Court in 2008, the Company currently operates in a single segment only – outsourced publishing services.

As a result of all this, the publishing services business needed to reconstruct its brand identity in the market and so rebranded itself as Macmillan Publishing Solutions (MPS). MPS comprises of business units focused on book and journal production services, digital conversion, subscription management and fulfillment, e-learning and multimedia services and advertisement and creative design services.

Subsidiaries:

MPS Technologies Limited

In the year 2009 MPS Technologies (MPST) continued to build on its established capability to provide technology solutions to the publishing community. Business coming from "ContentStore", the online digital bookstore and "MPS-Insight" the COUNTER-compliant reporting tool for publishers and libraries, continues to grow. MPST also kept up its focus on providing application development services and development of customized software and tools by leveraging its publishing domain knowledge. Contributions to the top line came in from both sides: New orders and extension of contracts from previous the year.

The turnover was Rs. 1750 lacs and the net profit after tax was Rs 103 lacs.

MPS Content Services India Pvt Limited (Formerly ICC India Pvt Ltd) and MPS Content Services Inc (Formerly ICC Macmillan Inc)

In 2009, all on-shore production activities in the US were streamlined under a single subsidiary "MPS Content Services Inc." MPS Content Services focuses on executing all complex projects that need high end capability available at the Beverly & Portland facilities. These typically include educational books with complex layout designs and graphic designing activity which involve cultural sensitivities. In 2010 the focus on transitioning various project and account management activities from the US to India, which is helping in cost reductions, will continue.

MPS Content Services Inc posted revenue of Rs. 2292 lacs with a substantially reduced loss of Rs. 200 lacs as compared to a net loss of Rs. 800 lacs for 2008 is poised to become profitable starting from 2010.

(E) OUTLOOK

The company has established its reputation as an end-to-end provider of solutions with domain expertise in a wide range of sectors. As such MPS is well poised to tap into the new opportunities offered by current market conditions. The recessionary trend has forced publishers to accelerate their adoption of digital strategies. The company's solutions portfolio is robust and the new sales effort will ensure that these newly packaged services are targeted at the right market segments. As the off shoring market matures, clients increasingly value partners that they can engage in large and long-term contracts. In this regard, the company's established processes and strong market reputation makes MPS a strong contender in the industry.

(F) INTERNAL CONTROL SYSTEMS

The Company has well documented policy guidelines, defined authority levels and an exhaustive budgetary control system to ensure adequate internal control levels. The Company has implemented an ERP (SAP) which has been extended to all the subsidiaries to have adequate internal control.

The Company has appointed Ernst & Young as the Internal Auditors. The Internal Audit function ensures that the system of recording and reporting, internal controls and checks, safeguarding and protection of assets, and remitting statutory dues in time are adequate and proper. The Internal Auditor reports to the Audit Committee.

The Management and the Audit Committee of the Board review the findings and recommendations of the internal audit team and review periodically the adequacy of the internal control, internal audit and the management control systems, so as to be in line with changing requirements.

(G) DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company's operations were affected by the trend towards commoditization of core journals and books services markets, strategic investments made for expansion of the Ad-composition and book typesetting businesses as well as Global pricing pressures in Journals business. Considering these factors the Company's consolidated group financial performance was reasonable during the year with an EPS of Rs. 4.24. The Company was able to generate all its fund requirements internally for working capital, capital expenditure and acquisitions.

(H) MATERIAL DEVELOPMENTS IN THE HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT INCLUDING THE NUMBER OF PEOPLE EMPLOYED

Industrial relations remained cordial throughout the year. The aim continues to be to train, develop professional excellence and improve competency level of the employees. The company along with its subsidiaries had 2,639 employees as of 31st December, 2009.

Cautionary Statement

Certain statements in this analysis concerning the Company's objectives, expectations, estimates, projections and future growth prospects are forward-looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially. The risks and uncertainties relating to these statements include, but are not limited to, fluctuations in earnings, intense competition in publishing services businesses including those factors which may affect our cost advantage, wage increase in India, reduced demand for services in our key focus areas, disruptions in telecommunication networks, liability for damages on our service contracts, withdrawal of governmental fiscal incentives, political instability, legal restrictions on acquiring companies or having offices outside India, unauthorised use of our intellectual property and general economic conditions affecting our businesses over which the Company does not have any control.

1. THE COMPANY'S GOVERNANCE PHILOSOPHY

Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and voluntary practices that enable Companies to perform efficiently and thereby maximise long term value for the Members, while respecting the aspect of multiple stakeholders. The Company has been practicing the principle of good corporate governance since its inception, not on account of regulatory requirements but on account of sound management practices for enhancing customer satisfaction and value for the Members. The Company confirms compliance of all the Secretarial Standards issued by the Institute of Company Secretaries of India to the extent feasible, regarding the meetings of the Board of Directors, General Meetings, Dividend, maintenance of Registers and Records.

The Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealings with the Members, employees, the Government and other parties.

2. BOARD OF DIRECTORS

Composition of the Board

Name of the Director	Category	No. of Directorships and Committee Memberships (including this Company) held in Indian registered companies including private companies			
		Other Directorships		Committee Memberships	
		As Chairman	As Member	As Chairman	As Member
Lawrence Jennings Chairman	Non-Executive	1*	Nil	1	2
D E Udwadia Vice-Chairman	Independent Non-Executive	1	18**	1	9
W Hanson Farries	Non-Executive	1	38*	Nil	3
A. Contractor	Independent Non-Executive	Nil	6*	Nil	3
R R Chari	Independent Non-Executive	Nil	2	2	1
Rajiv K Seth Managing Director	Executive	Nil	4	Nil	1

* including foreign companies
** including private limited companies

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3. DIRECTORS' INTEREST IN THE COMPANY

Director	Relation with Other Director	Business Relationship with the Company, if any	Loans & Advances Received from the Company	Remuneration Paid During 2009 (All figures in Rupees)			
				Sitting Fees	Salary, Perks & Commission	Commission (Paid during the year and pertains to previous year)	Total
Lawrence Jennings	Nil	Nil	Nil	Nil	Nil	Nil	Nil
D E Udwadia	Nil	*	Nil	1,20,000	Nil	4,00,000	5,20,000
W Hanson Farries	Nil	Nil	Nil	Nil	Nil	4,00,000	4,00,000
A. Contractor	Nil	Nil	Nil	1,00,000	Nil	4,00,000	5,00,000
R R Chari	Nil	Nil	Nil	1,20,000	Nil	4,00,000	5,20,000
Rajiv K Seth	Nil	Nil	Nil	Nil	1,16,53,359	Nil	1,16,53,359
M J Barnard	Nil	Nil	Nil	Nil	Nil	4,00,000	4,00,000
S C Inchcoombe	Nil	Nil	Nil	Nil	Nil	4,00,000	4,00,000

* M/s. Udwadia & Udeshi are the legal advisors of the Company where Mr. D. E. Udwadia is a Partner. The Company has paid the firm during the financial year a sum of Rs. 1,68,851 for professional advice and services requested by the Company and rendered by the firm from time to time during the period on a case by case basis.

Attendance Record of the Directors

Director	No. of Meetings		Attended Last AGM on 23rd June, 2009 in Chennai
	Held	Attended	
Lawrence Jennings (appointed wef 25.02.2009)	7	3	Yes
D E Udwadia	7	7	Yes
W Hanson Farries	7	4	Yes
A Contractor	7	6	Yes
R R Chari	7	7	Yes
Rajiv K Seth	7	6	Yes
Annette Thomas (resigned wef 25.02.2009)	7	1	Not applicable
M J Barnard (resigned wef 25.02.2009)	7	Nil	Not applicable
S C Inchcoombe (resigned wef 25.02.2009)	7	Nil	Not applicable
Rajiv Beri (resigned wef 25.02.2009)	7	1	Not applicable

Dates of Board Meetings

Date of Board Meeting	Place/ City	No. of Directors Present
25th February,2009	Bengaluru	7
22nd April,2009	Bengaluru	5
23rd June, 2009	Chennai	6
22nd July, 2009	Bengaluru	4
28th October,2009	New Delhi	6
27th November,2009	Mumbai	3
21st December, 2009	Mumbai	4

4. AUDIT COMMITTEE

The Audit Committee of the Company provides assurance to the Board on the adequacy of the internal control systems and financial disclosures. This is done at meetings of the committee wherein the statutory auditor, internal auditor and the senior management personnel are present. All the Directors forming part of the committee except Mr Lawrence Jennings and Mr W Hanson Farries are Independent Directors. The Audit Committee presently consists of five Directors: Mr. D. E. Udwadia, Mr A.Contractor, Mr. Lawrence Jennings, Mr. W. Hanson Farries and Mr. R.R.Chari as Chairman of the Committee. Mr S C Inchcoombe who was a member of the Committee during 2008 resigned his position with effect from 25.02.2009.

Dates of Audit Committee Meetings

Date of Audit Committee Meeting	Place/ City	No. of Members Present
25th February,2009	Bengaluru	4
22nd April,2009	Bengaluru	4
22nd July, 2009	Bengaluru	3
28th October,2009	New Delhi	5

Attendance Record of the Audit Committee Members

Audit Committee Member	No. of Meetings	
	Held	Attended
Mr R R Chari, Chairman	4	4
Mr D E Udwadia	4	4
Mr A.Contractor	4	3
Mr S C Inchcoombe (resigned wef 25.02.09)	4	–
Mr W Hanson Farries	4	3
Mr Lawrence Jennings (appointed wef 25.02.09)	4	2

The Managing Director, the Chief Financial Officer, the Internal Auditor and the Statutory Auditor were also present in the meetings.

5. REMUNERATION COMMITTEE

The Remuneration Committee recommends to the Board of Directors the compensation terms to the Executive Directors and the Company Secretary. The committee consists of Mr. Lawrence Jennings as Chairman, Mr. W. Hanson Farries, Mr D. E. Udwadia, Mr R. R. Chari and Mr A Contractor. Mr S C Inchcoombe who was the Chairman of the Committee during 2008 resigned from the Committee with effect from 25.02.2009. The committee met once during the year on 25th February 2009. The Company's remuneration policy is aimed at attracting and retaining high calibre talent, taking into account the talent market, the remuneration trend and the competitive requirement of its business. Commission paid to Executive Directors is based on performance and is disclosed in Note No. 12 relating to Profit and Loss Account for the year. The service period for Mr. Rajiv K Seth is from 01.02.2009 to 31.01.2012.

6. SHAREHOLDERS GRIEVANCE COMMITTEE

The Shareholders Grievance Committee consists of Mr. R. R. Chari as Chairman and Mr. Rajiv K Seth. Mr. S. M. Krishnan, the Company Secretary was appointed as Compliance officer. All complaints received from members during the year were fully resolved and there are no pending share transfers.

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7. CODE OF CONDUCT

The Company has posted the Code of Conduct for Directors and Senior Management on its website. A declaration of Code of Conduct from Managing Director affirming the compliance of board of directors and the senior management personnel of the company is enclosed and forms part of this report.

8. SHAREHOLDER INFORMATION

1. Date, time and location of the last three Annual General Meetings

Year	Date and Time of Meeting	Venue	Special Resolutions approved
2006	Wednesday, 4th June 2007, at 3.30 p.m.	Taj Coromandel Hotel, No. 17, Nungambakkam High Road, Chennai – 600 034	Nil
2007	Friday, 20th June 2008, at 3.30 p.m	The Trident No. 1/24, GST Road, Meenambakkam, Chennai – 600027	Nil
2008	Tuesday, 23rd June 2009, at 3.30 p.m	The Trident No. 1/24, GST Road, Meenambakkam, Chennai – 600027	1. Variation in the terms of appointment of Mr Rajiv K Seth as Managing Director and remuneration payable to him subject to Central Government approval 2. Change in the name of the Company from Macmillan India Limited to MPS Limited

2. Date, time and location of the last Court Convened Shareholders Meeting

Year	Date and Time of Meeting	Venue	Special Resolution approved
2008	Friday 2nd August 2008 at 03.00 p.m.	Hotel Palmgrove No. 5, Kodambakkam High Road, Nungambakkam Chennai – 600034	To consider and approve the Scheme of Arrangement involving merger of Charon Tec Ltd and Macmillan–ICC Publishing Solutions Pvt Ltd with the Company and demerger of the publishing business of the company into Macmillan Publishers India Ltd

All resolutions placed before the Members at the last Annual General Meeting of the Company were passed with the requisite majority. A resolution requiring a postal ballot under Section 192A of the Companies Act, 1956 was placed before the Extraordinary General Meeting on 25th June 2003 for the alteration of the Memorandum of Association and the resolution was carried with an overwhelming majority.

3. Financial Calendar

– Reporting for the quarter ending March 31, 2010	End April 2010
– Reporting for the half year ending June 30, 2010	End July 2010
– Reporting for the quarter ending September 30, 2010	End October 2010
– Reporting for the year ending December 31, 2010	End January 2011
– AGM for the year ending December 31, 2010	June 2011

The Quarterly results are published in Business Standard, and in the Tamil daily, Makkal Kural.

4. Dividend Payment Date

– Final Dividend for year ended December 31, 2009: 10% to be paid in July 2010

5. Registered Office

21, Patullos Road, Chennai –600002

6. Web site address

www.macmillanpublishingsolutions.com

7. Listing on Stock Exchange at

Equity Shares (Listing fees paid upto 31.03.2010)

Madras Stock Exchange Ltd.
Exchange Building, Post Box No. 183
11, Second Line Beach, Chennai 600 001

National Stock Exchange of India Ltd.
Scrip code – (Macmillan), Exchange Plaza,
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051

Bombay Stock Exchange Ltd
Scrip Code 532440, PJ Towers, Dalal Street
Mumbai 400 001

8. Dematerialisation of shares and liquidity

The shares of the Company are compulsorily traded in dematerialised form and are available for trading under both the Depository Systems in India – NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited) As on 31st December 2009, a total of 1,52,34,019 shares of the Company, which forms 90.56% of the Share Capital, stood dematerialised.

9. Members Information

Members holding shares in the electronic form should address their correspondence, except those relating to dividend, to their respective Depository Participants.

There are no pending cases relating to disputes over title to shares in which the Company has been made a party.

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Stock Market Data

National Stock Exchange (NSE)

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume No.
Jan 2009	63.00	47.20	52.35	16,964
Feb 2009	58.75	44.50	47.40	45,700
Mar 2009	49.75	36.10	48.65	49,427
Apr 2009	69.75	47.35	55.50	41,198
May 2009	91.60	53.50	79.15	8,59,003
Jun 2009	86.15	54.05	72.25	15,43,870
Jul 2009	78.95	53.85	65.95	9,06,401
Aug 2009	75.00	58.65	69.65	14,36,355
Sep 2009	82.50	63.05	71.10	40,04,522
Oct 2009	76.50	56.50	57.20	9,67,540
Nov 2009	59.90	50.80	54.40	3,82,960
Dec 2009	68.70	54.20	66.35	24,03,278

Bombay Stock Exchange Limited (BSE)

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume No.
Jan 2009	62.00	48.15	50.10	33,669
Feb 2009	57.90	44.00	48.10	1,00,313
Mar 2009	49.50	37.10	48.00	77,207
Apr 2009	69.00	47.15	53.40	75,315
May 2009	91.95	54.05	79.05	7,75,291
Jun 2009	86.45	51.50	72.75	13,10,791
Jul 2009	79.30	54.25	65.05	5,90,341
Aug 2009	75.40	58.70	69.80	13,68,876
Sep 2009	82.20	63.55	71.25	34,63,967
Oct 2009	77.00	55.60	57.30	10,01,549
Nov 2009	59.95	50.40	54.75	4,87,260
Dec 2009	68.65	54.60	66.20	24,43,742

There was no trading of the Company's shares in the Madras Stock Exchange (MSE) during the year.

The Company's shares can be sold through Stock Exchanges only in de-materialised form.

Address for Correspondence

Registrars and Transfer Agents (Share transfer and communication regarding share certificates, dividends and change of address)	Cameo Corporate Services Limited Subramanian Building, 1 Club House Road, Chennai – 600002
Compliance Officer	S M Krishnan (upto 22-04-2010) Associate Vice President & Company Secretary, MPS Limited K. Ramachandran Senior Manager Compliance 27, G N Chetty Road, T.Nagar, Chennai – 600017 Phone: 30974549, Fax No: 42004400 E-mail: k.ramachandran@macmillansolutions.com.

Per Share Data

Year	31.12.2009	31.12.2008	31.12.2007	31.12.2006	31.12.2005
Net Earnings (Rs Lacs)	712.65	1816.09	1816.46	3502.80	4093.53
EPS (Rs.)	4.24	10.80	10.80	20.82	24.33
Dividend per Share (Rs.)	1.00	Nil	2.50	8.00	8.00
Dividend Payout (%)	10	–	25	80	80
Book Value per Share (Rs.)*	64.49	61.42	125.79	117.92	106.22
Price to Earnings	15.61	5.31	21.77	16.39	20.53
Price to Book Value	1.03	0.93	1.87	2.89	4.70

Note: *Book Value per share starting from period ending 31.12.2008 reflected only the value of publishing services business post demerger of the domestic publishing business

Shareholding Pattern

Distribution of Holdings

Category of Shareholdings		No. of Share holders	% of total	Share Amount (in Rs.)	% of total
From	To				
Upto	5,000	9,062	98.64	2,64,41,420	15.72
5,001	10,000	71	0.77	51,44,010	3.06
10,001	50,000	40	0.44	69,61,100	4.14
50,001	1,00,000	9	0.10	62,74,770	3.73
100,001	500,000	3	0.03	46,05,580	2.74
500,001	10,00,000	Nil	Nil	Nil	Nil
10,00,001	And above	2	0.02	11,87,99,800	70.62
	Total	**9,187**	**100.00**	**16,82,26,680**	**100.00**

Shareholding Pattern as on 31st December 2009

Category	No of Shares	% to Share Capital
Promoters	1,03,39,980	61.46
Resident Individuals	31,25,890	18.59
Corporate Bodies	13,89,466	8.26
Non-Resident Indians	1,95,561	1.16
FIIs & OCBs	479	–
Mutual Funds & Banks	–	–
Trust/Others	17,71,292	10.53
Total	**1,68,22,668**	**100.00**

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Publishing Services Locations

Chennai Book Composing Unit	69 Eldams Road, Teynampet, Chennai 600018
Chennai Journals Unit and Learning & New Media Services Unit	27, G N Chetty Road, T. Nagar, Chennai 600017
Bengaluru Journals Unit	HMG Ambassador, 137, Residency Road, Bengaluru 560025
Fulfillment Services	865, Udyog Vihar, Phase V, Gurgaon 122016
Digital Services	1 Brigade Towers, 135, Brigade Road, Bengaluru 560025 Salarpuria Citadel, 3, Hosur Road, Adugodi, Bengaluru 560030
Noida Book Composing Unit	SDF K Block Nos. 6 & 7, NSEZ, Noida Dadri Road, Phase II, Noida 201305
Bengaluru Book Composing & Ad-Projects Units	Midford Cresent, 53/1, Richmond Road, Bengaluru 560 025

Corporate Governance Certificate of the Auditors

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges and the same is annexed to the Report of the Directors and Management Discussion and Analysis.

The Certificate from the Statutory Auditors will also be sent to the Stock Exchanges along with the Annual Return to be filed by the Company.

For and on behalf of the Board
Lawrence Jennings
Chairman

Bengaluru
03.03.2010

Declaration of Code of Conduct

To
The Members of MPS Limited

This is to confirm that the Board has laid down a code of conduct for all Board Members and senior management personal of the Company.

It is further confirmed that all the directors and senior management personnel of the company have affirmed compliance with the code of conduct of the company as at 31st December, 2009, as envisaged in Clause 49(I) (D) (ii) of the Listing Agreement.

Place: Bengaluru
Date: 03.03.2010

Rajiv K Seth
Managing Directo

CEO/CFO Certification as required under Clause 49 of the Listing Agreement

I, Rajiv K Seth, Managing Director and I, Gautam Mukherjee, Chief Financial Officer certify to the Board of Directors of MPS Limited that:

a. We have reviewed the financial statements and the cash flow statement for the year ended 31st December, 2009 and that to the best of our knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit Committee

   i. Significant changes in internal control during the year, wherever applicable;

   ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements where ever applicable; and

   iii. There are no instances of significant fraud of which we became aware or the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

(Rajiv K Seth)
Managing Director

(Gautam Mukherjee)
Chief Financial Officer

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CORPORATE COMPLIANCE CERTIFICATE

To

The Members
MPS LIMITED
No. 21, Patullos Road, Chennai 600002

I have examined all Secretarial records and compliance of provisions of the Companies Act, 1956 (the Act) the guidelines and instructions issued by the Securities and Exchange Board of India (SEBI) and the relevant clauses of the Listing Agreement with the Stock Exchanges where the shares of MPS LIMITED (the Company) are listed, for the year ended 31st December 2009 and I report that:

1. The Company is maintaining all Statutory records and registers as required to be maintained under various provisions of the Companies Act, 1956 and the rules made there under and all the records and entries in the registers are up to date.

2. The Company has filed all Statutory Returns on time with the Registrar of Companies as well as with other Statutory Authorities and has furnished the required documents/intimations to the Stock Exchanges regularly and within the scheduled time frame as required under various clauses of the Listing Agreements.

3. The Company has neither made any further issue not bought back any share during the financial year.

4. The Company has called, convened and conducted the Board Meetings and General Meeting as per the provisions of the Companies Act, 1956.

5. The Company has duly complied with the requirements of Section 217 of the Act.

6. The directors have disclosed their interest in other companies where they are in the Board of Directors pursuant to Section 299 of the Act and rules made hereunder.

7. The Company did not accept any Public Deposits under the Companies (Acceptance of Deposit) Rules 1975 during the year.

8. The company has not borrowed any amount from the Bank(s) and other financial institutions during the financial year.

9. The company has duly complied with the requirements of Section 372A with regard to making loans and investments to other bodies corporate during the financial year.

10. The Company has duly complied with the requirements of the provisions of the Companies Act, 1956 regarding dividend. The Company has deposited the unclaimed/unpaid dividend to the Investor Protection and Education Fund pursuant to Section 205C of the Act.

11. The Share Transfer Agent appointed by the Company has system and procedures adequate to ensure daily reconciliation of shares held in physical and electronic segments with the total paid up capital.

12. All the complaints/grievances relating to share transfers/transmissions demat/remat shares issue of duplicate share certificates payment of dividend etc are promptly attended to by the Company and they are resolved within 15 days of their receipt.

13. The Company processes the dematerialisation requests of shares within 15 days from the date of receipt of physical documents from the DPs as per the SEBI guidelines.

14. The company has a system by which a certificate of compliance of different statutes governing the affairs of the Company is signed by the Company Secretary of the Company and placed before every meeting of the Board of Directors of the Company.

15. The Company has duly complied with the requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

16. The Company has duly and timely submitted share holding pattern, corporate Governance certificate and financial results (audited/unaudited) to Stock Exchanges in compliance with Clause 35, 49 and 41 of the Listing Agreement respectively and complied with furnishing details in electronic mode as per the EDIFAR system introduced by Clause 51 of the Listing Agreement.

17. So far the information provided to me, the Company and all its officers as defined in SEBI (Prohibition of Insider Trading) Regulations 1992 have complied with the restrictions imposed by the said Regulation.

18. The Company has duly complied with the provisions relating to the SEBI (Substantial Acquisition of Shares and Takeover) Regulations,1997.

19. The Company has timely submitted the following quarterly/half yearly certificates from a Practicing Company Secretary to Stock Exchanges as per the guidelines issued by SEBI and Clause 47 (C) of the listing agreement.

Subject matter of the Certificate	Due Date	Date of Submission
Reconciliation of admitted capital, with the Depositories, with issued and listed Capital of the company	30.04.2009 31.07.2009 31.10.2009 31.01.2010	08.04.2009 08.07.2009 09.10.2009 10.01.2010
Half yearly certificate from a Practising Company Secretary on physical transfer of shares as per clause 47(C) of the listing agreement	30.04.2009 31.10.2009	08.04.2009 09.10.2009

20. The break up of the shares held in physical and demat mode as on 31-12-2009 is as follows:

Form	No. of shares	Percentage
Physical	15,88,649	9.44
Demat	1,52,34,019	90.56
Total	1,68,22,668	100.00

Place: Chennai
Date: 23rd February, 2010

R.BALASUBRAMANIAM
Practicing Company Secretary
CP No: 1340

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AUDITORS REPORT ON CORPORATE GOVERNANCE
TO THE MEMBERS OF MPS LIMITED (Formerly Macmillan India Limited)

We have examined the compliance of conditions of corporate governance by MPS Limited, (Formerly Macmillan India Limited) ("Company") for the year ended on December 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We state that to the best of the information and according to the explanations given to us no Investor Grievance is pending against the company as at 31st December 2009, as per details furnished by the Registrars.

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

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 008072S)

Bhavani Balasubramanian
Partner
Membership No. 22156

Place: Bengaluru
Date: 3rd March, 2010

MPS
A Macmillan Company

REPORT OF THE AUDITORS TO THE MEMBERS OF MPS LIMITED (FORMERLY MACMILLAN INDIA LIMITED)

We have audited the attached balance sheet of MPS Limited (formerly Macmillan India Limited), (the "Company") as at 31st December 2009, the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;

iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

v. On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st December 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 on the said date;

vi. *Attention is invited to Note no. III (12) of Schedule 19 regarding the revision in the remuneration of Managing Director of the Company, which is subject to approval from Central Government to comply with Section 309 read with Schedule XIII of the Companies Act, 1956.*

vii. Without qualifying our opinion, we draw attention to:

   a. Note No. II (9) of Schedule 19 regarding the investments made and advances given to the subsidiary, MPS Content Services Inc, USA (formerly ICC Macmillan Inc, USA). No provision is considered necessary by the management, as they have committed to extend continued financial and operational support.

   b. Note No. II (7b) of Schedule 19 regarding the non-provision of service tax demand, against which the Company has filed an appeal with the concerned authorities.

viii. In our opinion and subject to the matter referred to in paragraph (vi) above and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

   a. in the case of the balance sheet, of the state of affairs of the Company as at 31st December 2009;
   b. in the case of the profit and loss account, of the profit for the year ended on that date; and
   c. in the case of cash flow statement, of the cash flows for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 008072S)

Bhavani Balasubramanian
Partner
Membership No. 22156

Place: Bengaluru
Date: 3rd March, 2010

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Annexure to the Auditors' Report
(Referred to in paragraph 3 of our report of even date)

1. In respect of its fixed assets:

   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b. Most of the fixed assets were physically verified during the year by the management in accordance with regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.

   c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

2. The Company is engaged in the business of providing typesetting and data digitisation services and therefore clause 4(ii) of the Companies (Auditor's Report) Order, 2003 is not applicable. The inventories in the financial statements represent incomplete jobs. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its incomplete jobs.

3. a. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

   b. The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the rendering of services and we have not observed any continuing failure to correct major weaknesses in such internal control systems. The activities of the Company do not involve purchase of inventory and sale of goods.

5. In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

   a. The particulars of contracts or arrangements referred to Section 301 that needed to be entered into the register, maintained under the said section have been so entered.

   b. There are no transactions, in aggregate, in excess of Rs.5 lacs in respect of any party.

6. The Company has not accepted any fixed deposits from the public during the year.

7. In our opinion, the internal audit carried out during the year by a consulting company appointed by the management, which is an associate of the statutory auditors of the Holding Company, have been commensurate with the size of the Company and the nature of its business.

8. The Central Government has not prescribed maintenance of Cost Accounting Records under Section 209(1) (d) of the Companies Act, 1956 for the Company.

9. In respect of Statutory dues:

   a. According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, VAT, Wealth tax, Service Tax, Custom duty, Cess and any other material statutory dues with the appropriate authorities during the year, though there has been a slight delay in a few cases.

   b. There were no undisputed amounts payable in respect of Investor Education and Protection Fund, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, VAT, Wealth tax, Service Tax, Custom duty, Cess and any other material statutory dues as at 31st December 2009 for a period of more than six months from the date they became payable.

   c. According to the information and explanations given to us, the details of Sales Tax, VAT, Income tax, Customs Duty, Wealth Tax, Service Tax, and Cess, which has not been deposited with the appropriate authorities as on 31st December 2009 on account of any dispute are given below:

Name of the Statute	Nature of the dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where the dispute is pending
Section 66A of the Finance Act, 1994	Service Tax on Commission paid to Macmillan UK	227.77	July 2003 – Dec 2006	Custom Excise Service Tax Appellate Tribunal (CESTAT), Bengaluru
Income Tax Act, 1961	Demand for Income tax upon completion of assessment	24.36	AY 2005–06	Commissioner of Income Tax – Appeals, Chennai
Income Tax Act, 1961	Income Tax Demands	5.21	Asst Year 2003–04 of Erstwhile Subsidiary	Income Tax Appellate Tribunal, Chennai
Income Tax Act, 1961	Income Tax Demands	147.28	Asst Year 2006–07	Commissioner of Income Tax (Appeals), Chennai

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10. As at the end of the financial year, the Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

11. The Company has not taken any loans from financial institutions, banks and debenture holders.

12. Based on our examination of documents and records, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or nidhi mutual benefit fund/society.

14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities and debentures and other investments.

15. According to the information and explanations given to us, the Company has given a guarantee for loans taken by Frank Brothers & Co. (Publishers) Limited, a fellow subsidiary from banks during the year.

16. The Company has not availed any Term Loan during the year.

17. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short-term basis, have, *prima facie*, not been used during the year for long term investment.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures.

20. The Company has not raised money through public issues during the year.

21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 008072S)

Place: Bengaluru
Date: 3rd March, 2010

Bhavani Balasubramanian
Partner
Membership No. 22156

BALANCE SHEET AS AT 31ST DECEMBER 2009

	Schedule No.	As at 31.12.2009 Rs. in Lacs		As at 31.12.2008 Rs. in Lacs	
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
Share capital	1	**1,682.27**		1,682.27	
Reserves & surplus	2	**9,166.82**		8,650.99	
			10,849.09		10,333.26
2. Loan Funds					
Secured Loan	3		**70.65**		–
3. Deferred Tax Liability (Net) (Note No.II (24) of Schedule 19)			**105.13**		68.61
			11,024.87		10,401.87
II. APPLICATION OF FUNDS					
1. Fixed Assets	4				
Gross Block		**6,484.98**		5,749.42	
Depreciation		**3,476.91**		3,042.68	
Net Block		**3,008.07**		2,706.74	
Capital work in progress including capital advances		**80.21**	**3,088.28**	193.63	2,900.37
2. Investments	5		**4,320.47**		2,562.74
3. Advance subscription towards equity shares (Note No.II (1)(b) of Schedule 19)			**–**		1,767.52
4. Current Assets, Loans and Advances					
Inventories	6	**1,221.97**		1,136.06	
Sundry Debtors	7	**3,391.17**		3,272.79	
Cash and Bank Balances	8	**1,498.00**		794.36	
Loans and Advances	9	**2,591.47**		2,037.97	
Total Current Assets		**8,702.61**		7,241.18	
Less: Current Liabilities	10	**4,726.43**		3,770.66	
Provisions	11	**360.06**		299.28	
Total Current Liabilities & Provisions		**5,086.49**		4,069.94	
Net Current Assets			**3,616.12**		3,171.24
			11,024.87		10,401.87
Notes on Accounts	19				

Per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants

BHAVANI BALASUBRAMANIAN	**RAJIV K SETH**	**R R CHARI**	**S M KRISHNAN**
Partner	Managing Director	Director	Secretary

Place: Bengaluru
Date: 3rd March 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2009

	Schedule No.	For the Year ended 31.12.2009 Rs. in Lacs		For the Year ended 31.12.2008 Rs. in Lacs	
INCOME					
Service Income/Sales		**14,056.93**		16,449.15	
Less: Discounts		**61.55**	**13,995.38**	199.33	16,249.82
Interest Income	12		**26.66**		44.22
Other Income	13		**251.76**		139.75
			14,273.80		16,433.79
EXPENDITURE					
Difference in Stocks & Purchases	14	**(85.91)**		569.76	
Direct Cost/Raw Materials Consumed	15	**1,342.74**		617.20	
Staff Costs	16	**7,648.78**		6,949.83	
Other Expenditure	17	**3,863.73**		5,352.18	
Interest expense	18	**2.87**		2.13	
Depreciation		**632.62**	**13,404.83**	613.77	14,104.87
Profit before taxation			**868.97**		2,328.92
Provision for taxation					
Current Tax		**351.33**		476.26	
Deferred Tax		**36.52**		(6.99)	
MAT Credit Entitlement		**(269.00)**		–	
Fringe Benefit tax		**37.47**		43.56	
			156.32		512.83
Profit after taxation			**712.65**		1,816.09
Brought forward from previous year			**8,650.99**		12,977.57
Add: Balance in profit and loss account of erstwhile Charon tec Limited as on 1st January 2008			**–**		209.98
Less: Debit balance in profit & Loss account of erstwhile Macmillan ICC Publishing Solutions Private Limited as on 1st January 2008			**–**		(202.09)
Profit available for Appropriations			**9,363.64**		14,801.55
Appropriations:					
Transfer to General Reserve			**500.00**		500.00
Adjustment made on account of Amalgamation			**–**		939.25
Adjustment made on account of Demerger			**–**		4,711.31
Dividend on Equity Shares					
Proposed Dividend – 10% (Nil)			**168.23**		–
Corporate tax thereon			**28.59**		–
Surplus carried to Balance Sheet			**8,666.82**		8,650.99
Notes on Accounts	19				
Basic and diluted earnings per share (Face value Rs. 10)			**4.24**		10.80

Per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants

BHAVANI BALASUBRAMANIAN	**RAJIV K SETH**	**R R CHARI**	**S M KRISHNAN**
Partner	Managing Director	Director	Secretary

Place: Bengaluru
Date: 3rd March 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2009

Description	For the Year ended 31.12.2009 Rs. in Lacs		For the Year ended 31.12.2008 Rs. in Lacs	
A. Cash flow from Operating activities:				
Net Profit before tax		**868.97**		2,328.92
Adjustments for:				
Depreciation	**632.62**		613.77	
Interest expense	**2.87**		2.13	
Profit on sale of fixed assets – net	**(1.70)**		(0.58)	
Fixed Asset Written-off	**52.72**		–	
Compensated Absences	**(124.68)**		100.84	
Unrealised exchange (Profit)/Loss, net	**(218.62)**		296.16	
Interest Income	**(26.66)**		(44.22)	
Loss on sale of investments	**–**		17.19	
Dividend Received	**–**		(31.70)	
Provisions for:				
Doubtful Debts	**58.84**		26.61	
Bad Debts/Advances Written off	**12.89**		–	
Amounts written back:				
Excess provision for				
Doubtful Debts & Advances	**–**		–	
Commission to Non-Executive Directors & other expenses	**(0.86)**		(2.04)	
Unclaimed credit balances	**(44.61)**	**342.81**	(0.25)	977.91
Operating Profit before working capital changes		**1,211.78**		3,306.83
Adjustments for:				
Increase in Trade and other receivables	**(754.23)**		(3,405.62)	
(Increase)/Decrease in Inventories	**(85.91)**		535.59	
Increase in Trade and other payables	**979.18**	**139.04**	1,480.63	(1,389.40)
Cash generated from operations		**1,350.82**		1,917.43
Direct taxes including Fringe Benefit Tax paid		**(70.39)**		(286.34)
Net Cash generated from operating activities		**1,280.43**		1,631.09

Description	For the Year ended 31.12.2009 Rs. in Lacs		For the Year ended 31.12.2008 Rs. in Lacs	
B. Cash flow from Investing activities:				
Purchase of fixed assets	**(858.88)**		(788.07)	
Purchase of investments	**–**		(3,164.75)	
Purchase of division from a subsidiary	**(110.63)**		(192.48)	
Proceeds from sale of fixed assets	**13.33**		6.39	
Proceeds from sale of investments	**–**		1,386.32	
Dividend Received	**–**		26.25	
Investment in Deposits on Lien	**(3.45)**		–	
Interest Received	**6.47**		98.35	
Net cash used in investing activities		**(953.16)**		(2,627.99)
C. Cash flow from Financing activities:				
Interest paid	**(2.87)**		(2.13)	
Advance from subsidiary	**400.00**		–	
Loan repayment from subsidiary	**50.00**			
Proceeds from Bank on Finance Lease	**70.65**		–	
Advance to subsidiary	**(144.16)**			
Dividend paid (Inclusive of dividend tax)	**(0.70)**		(492.72)	
Net cash generated from/(used in) financing activities		**372.92**		(494.85)
Net Increase/(Decrease) in cash and cash equivalents		**700.19**		(1,491.75)
Cash and cash equivalents at the beginning of the year	**783.68**		2,461.93	
Add: Cash balances added on amalgamation	**–**		103.75	
Less: Cash balance transferred on demerger	**–**		(290.25)	
	783.68		2,275.43	
Cash and cash equivalents at the end of the year	**1,483.87**	**700.19**	783.68	(1,491.75)
Cash and Cash Equivalents as per Cash flow statement		**1,483.87**		783.68
Restricted balances placed in deposit accounts		**14.13**		10.68
Cash and Cash Equivalents as per Balance Sheet		**1,498.00**		794.36

Per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

RAJIV K SETH
Managing Director

R R CHARI
Director

S M KRISHNAN
Secretary

Place: Bengaluru
Date: 3rd March 2010

SCHEDULES TO ACCOUNTS

	As at 31.12.2009 Rs. in Lacs	As at 31.12.2008 Rs. in Lacs
1. Share Capital		
Authorised		
200,00,000 (Previous year 200,00,000) Equity Shares of Rs.10 each	**2,000.00**	2,000.00
Issued, Subscribed and Paid up		
1,68,22,668 (Previous year 1,68,22,668) Equity Shares of Rs.10 each fully paid up (Note No.II (1)(a) of Schedule 19)	**1,682.27**	1,682.27
2. Reserves and Surplus		
General Reserve:		
As per last Balance Sheet	**–**	6,502.00
Add: Transfer from Profit & Loss account	**500.00**	500.00
	500.00	7,002.00
Less: Adjustment made on account of Demerger	**–**	(7,002.00)
	500.00	–
Add: Surplus shown in Profit & Loss account	**8,666.82**	8,650.99
	9,166.82	8,650.99
3. Loan Funds		
Secured Loan		
Finance Lease Obligation (Secured on assets taken under Finance Lease) (Refer Note No III(22) of Schedule 19)	**70.65**	–
	70.65	–

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4. FIXED ASSEST

(Rs. in Lacs)

	COST						DEPRECIATION						NET BOOK VALUE	
Description	As at 01.01.2009	Added on Amalga–mation	Additions @	Deductions / Adjustments	Transferred on Demerger	**As at 31.12.2009**	As at 01.01.2009	Added on Amalga–mation	Deductions / Adjustments	Depreciation for the year	Transferred on Demerger	**As at 31.12.2009**	**As at 31.12.2009**	As at 31.12.2008
Land*	405.05	–	–	–	–	**405.05**	–	–	–	–	–	**–**	**405.05**	405.05
Buildings*	1,430.41	–	–	–	–	**1,430.41**	565.32	–	–	43.25	–	**608.57**	**821.84**	865.09
Plant & Machinery	2,452.75	–	383.38	67.39	–	**2,768.74**	1,717.39	–	69.17	346.29	–	**1,994.51**	**774.23**	735.36
Furniture & Fixtures	1,088.41	–	84.98	170.21	–	**1,003.18**	608.29	–	107.04	89.34	–	**590.59**	**412.59**	480.12
Vehicles**	159.30	–	89.60	15.05	–	**233.85**	89.34	–	13.76	28.24	–	**103.82**	**130.03**	69.96
Lease Hold Improvements	26.99	–	101.02	10.09	–	**117.92**	19.86	–	8.42	22.46	–	**33.90**	**84.02**	7.13
Intangibles - Software	186.51	–	339.32	–	–	**525.83**	42.48	–	–	103.04	–	**145.52**	**380.31**	144.03
TOTAL	**5,749.42**	**–**	**998.30**	**262.74**	**–**	**6,484.98**	**3,042.68**	**–**	**198.39**	**632.62**	**–**	**3,476.91**	**3,008.07**	**2,706.74**
Previous Year	6,870.69	724.25	785.23	42.29	2,588.46	5,749.42	3,577.21	358.18	36.48	613.77	1,470.00	3,042.68	2,706.74	3,293.48
Add: Capital Work in Progress													80.21	193.63
TOTAL													**3,088.28**	**2,900.37**

* Land and Building includes property at HMG Ambassador at a cost of Rs. 400 lacs and Rs.1213 lacs respectively. The title to this property is jointly held with other co-owners in the name of HMG Ambassador Property Management Private Limited, represented by 1,47,50,000 equity shares of Rs.10/- each represnting the value of land and buildings with irrevocable right of permanent occupation.

** Includes vehicles acquired during the year under Hire Purchase agreement Rs. 87.39 lacs – WDV as at 31.12.2009 Rs. 77.66 lacs (31 December 2008 – Nil)

@ Includes assets with a net book value of Rs.26.00 lacs transferred from a subsidiary MPS Content Services India Private Limited

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5. Investments – Long-Term

	No of Shares/ Units	Face Value	As at 31.12.2009 Rs. in Lacs	No of Shares/ Units	Face Value	As at 31.12.2008 Rs. in Lacs
Trade						
(1) Fully Paid Equity Shares (Trade) in Subsidiary Companies – Unquoted MPS Technologies Ltd	**10,000,000**	**10.00**	**1,000.00**	10,000,000	10.00	1,000.00
MPS Content Services Inc. USA (Note No. II (1) (b) and II (6) of Schedule 19)	**90,527**	**$1**	**3,320.47**	10,527	$1	1,562.74
TOTAL UNQUOTED INVESTMENTS:			**4,320.47**			2,562.74

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	AS AT 31.12.2009 Rs. in Lacs		AS AT 31.12.2008 Rs. in Lacs	
6. Inventories				
Incomplete jobs		**1,221.97**		1,136.06
7. Sundry Debtors – Unsecured				
Debts outstanding for a period exceeding six months:				
Considered good	**473.06**		291.18	
Considered doubtful	**85.54**		26.61	
		558.60		317.79
Other debts				
Considered good		**2,918.11**		2,981.61
		3,476.71		3,299.40
Less: Provision for doubtful debts		**85.54**		26.61
		3,391.17		3,272.79
8. Cash and Bank Balances				
Cash (includes cheques on hand Rs. Nil (Previous year 0.21 Lacs)		**1.38**		2.03
Bank Balances: (Note No.II (4) of Schedule 19)				
With Scheduled Bank on:				
Current Accounts	**1,130.99**		712.48	
Deposits Accounts	**365.63**		79.85	
		1,496.62		792.33
		1,498.00		794.36

	As at 31.12.2009 Rs. in Lacs		As at 31.12.2008 Rs. in Lacs	
9. Loans and Advances				
(Unsecured and considered good)				
Advance to Subsidiary company:				
MPS Technologies Ltd	**–**		50.00	
Loan to Subsidiary company:				
MPS Content Services Inc. USA	**764.66**		629.72	
Advances recoverable in cash or in kind or for value to be received	**1,422.18**	**2,186.84**	988.51	1,668.23
Interest accrued on Deposits		**2.30**		0.39
Advance payment of Income tax (Net of Provision for taxation)		**133.33**		369.35
MAT Credit Entitlement		**269.00**		–
		2,591.47		2,037.97
10. Current Liabilities				
Sundry Creditors:				
Micro Enterprises and Small Enterprises (Refer Note II (8) of Schedule 19)		**–**		–
Other than Micro Enterprises and Small Enterprises		**1,454.62**		2,228.30
Payable to subsidiary companies:				
MPS Technologies Limited		**121.83**		151.72
MPS Content Services India Pvt. Ltd		**176.12**		8.80
MPS Content Services Inc. USA		**115.52**		–
Other Liabilities		**2,791.45**		1,311.20
Due to Directors		**63.81**		66.86
Investor Education and Protection Fund shall be credited by the following amount:				
Unpaid Dividend*		**3.08**		3.78
		4,726.43		3,770.66
11. Provisions				
Proposed Dividend on Equity shares		**168.23**		–
Corporate tax thereon		**28.59**		–
Provision for Compensated absences		**163.24**		299.28
		360.06		299.28

* There is no amount falling due as at the Balance sheet date to be credited to the Investor Education and Protection Fund and the above amount represents Dividend Warrants issued but not encashed.

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	For the year ended 31.12.2009 Rs. in Lacs		For the year ended 31.12.2008 Rs. in Lacs	
12. Interest Income				
On Fixed Deposits with Bankers		**9.39**		38.92
[Tax Deducted at source:				
2009-Rs.(in Lacs)- 1.26]				
2008-Rs.(in Lacs)- 9.11]				
On Investments		**–**		5.30
Interest from Subsidiary		**17.27**		–
		26.66		44.22
13. Other Income				
Profit on sale of Assets, net		**1.70**		0.58
Profit on sale of Investments		**–**		–
Rent received		**141.13**		91.39
[Tax Deducted at source:				
2009-Rs.(in Lacs) - ; 25.17				
2008-Rs.(in Lacs) - ; 23.43				
Lease rent received		**8.16**		10.15
[Tax Deducted at source:				
2009-Rs.(in Lacs) 1.81]				
2008-Rs.(in Lacs) 2.76]				
Miscellaneous receipts		**7.76**		3.20
Royalty received		**–**		0.05
Dividend		**–**		31.70
Bad Debts written off in earlier years recovered		**–**		0.39
Unclaimed credit balances written back		**–**		0.25
Profit on exchange difference, net		**47.54**		–
Excess provision written back				
For Commission payable to Non-executive Directors		**0.86**		2.04
Others		**44.61**		–
		251.76		139.75
14. Difference in Stocks And Purchases				
Opening Stock:				
Addition of Opening Stock of Charon Tec Limited on amalgamation	**–**		14.60	
Incomplete Jobs	**1,136.06**		1,398.20	
Finished Goods	**–**		1,622.11	
Purchases	**–**	**1,136.06**	11.91	3,046.82
Less: Closing Stock				
Finished Goods and Incomplete jobs transferred to Macmillan Publishers India Limited on demerger	**–**		1,341.00	
Incomplete Jobs	**1,221.97**	**1,221.97**	1,136.06	2,477.06
		(85.91)		569.76

	For the year ended 31.12.2009 Rs. in Lacs		For the year ended 31.12.2008 Rs. in Lacs	
15. Direct Cost/Raw Materials Consumed				
Opening Stock	–		286.78	
Add: Purchases	1,342.74	1,342.74	643.45	930.23
Less: Closing Stock	–		–	
Transfer on Demerger	-	–	313.03	313.03
		1,342.74		617.20
16. Staff Costs				
Salaries,Wages and Bonus		6,448.70		5,602.60
Contribution to Provident and Other Funds		296.34		386.78
Workmen and Staff Welfare Expenses		903.74		960.45
		7,648.78		6,949.83
17. Other Expenditure				
Outside printing charges		589.51		501.18
Consumption of stores		-		17.37
Rent Paid		690.12		652.95
Repairs to:				
Buildings	231.90		84.30	
Vehicles	11.48		89.86	
Plant & Machinery (Note No.III (11) of Schedule 19)	115.60	358.98	310.10	484.26
Insurance		92.42		58.04
Packing and Forwarding		54.72		134.91
Postage,Telex and Telephones		285.07		270.96
Travelling and Conveyance		665.33		608.11
Royalty		-		354.39
Power and Fuel		379.09		364.51
Rates and Taxes		177.84		38.12
Directors Sitting Fees		3.40		3.10
Directors Commission		10.50		24.86
Advertisement		16.84		21.11
Entertainment		12.32		16.34
Provision for Doubtful Debts		58.84		26.61
Bad Debts Written off	0.20		–	
Less: Transfer from provision for Doubtful debts	(0.09)	0.11	–	–
Advances Written-off		12.89		
Sales Promotion Expenses		8.87		2.90
Commission on sales		–		805.85
Loss on sale of Investments		–		17.19
Loss on Sale of Assets		–		–
Fixed Assets written off		52.72		–
Loss on exchange difference, net		–		342.13
Miscellaneous expenditure		394.16		607.29
		3,863.73		5,352.18
18. Interest Paid				
Interest Paid to Bankers		2.87		–
Others		–		2.13
		2.87		2.13

19. Notes on Accounts for the Year Ended 31st December 2009

I. Significant Accounting Policies:

Background

MPS Limited, formerly known as Macmillan India Limited (the Company) is engaged in the business of providing typesetting and data digitization services for overseas publishers. The Company has a 100% Export Oriented Unit in Bengaluru, and units registered under the Software Technology Park of India (STPI) scheme that are located in Chennai, Delhi and Gurgaon. In March, 2009, the Company has set up an Unit at Noida which is located in a Special Economic Zone notified area. The Company also operates through its branches in United States of America and United Kingdom. The Company provides Publishing services relating to typesetting of books and journals, composing of Yellow Page Ads and catalogues, data coding, conversion, indexing, editing, copy editing and editorial services to global publishers.

MPS Limited has two direct subsidiaries MPS Technologies Limited and MPS Content Services Inc, USA (formerly ICC Macmillan Inc, USA). MPS Content Services India Private Limited (formerly ICC India Private Limited) is a subsidiary of MPS Content Services Inc, USA.

With effect from 25th June 2009, the Company has changed its name to "MPS Limited" and the necessary statutory approvals have been obtained for change of name.

The Indian Subsidiary ICC India Private Ltd has changed its name to MPS Content Services India Pvt. Ltd. and Foreign Subsidiary in USA had changed its name from ICC Macmillan Inc to MPS Content Services Inc.

MPS Mobile Inc, a subsidiary of MPS Content Service Inc (formerly ICC Macmillan Inc, USA) which was formed during the year was dissolved on 28th December 2009 since the company did not commence business.

The significant accounting policies adopted in preparation of these accounts are as follows:

i Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with accounting principles generally accepted in India and comply with the accounting standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006, and relevant provisions of the Companies Act, 1956.

ii Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

iii Fixed Assets and Intangibles

Fixed assets and intangibles (software - purchased as well as developed in-house) are stated at cost less accumulated depreciation. The cost of assets comprises its purchase price, including import duties and other non-refundable taxes or levies, wherever applicable, and any directly attributable cost of bringing the asset to its working condition for its intended use. Internally developed software is stated at direct cost attributable to the asset including other applicable costs.

iv Depreciation/Amortization

Depreciation has been provided on the Written Down Value method at the rates prescribed under Schedule XIV to the Companies Act, 1956, Assets individually costing less than Rs.5000 added during the year are fully depreciated.

Computer software (purchased and developed in-house) of the Publishing Solutions business is amortized over a period of 2 to 5 years, based on the future economic benefits, as estimated by the management.

The cost of improvements to leasehold premises is being amortized over the primary/extended period of lease.

In the foreign branch of the company, MPS North America, assets are depreciated based on their estimated useful life as follows:

Overhead Equipment, other than Furniture, Production Equipment and REG Equipment – 5 years.
Computer Software – 5 years.
Furniture – 7 years.
Leasehold improvements – 3 years.

v Impairment of Assets

The Company determines whether there is any indication of impairment of the carrying amount of its assets. The recoverable amount of such assets are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

vi Investments – Long Term

Long Term Investments are stated at cost. Provision for diminution is made if such diminution is considered other than temporary in nature.

vii Inventories

Inventories comprising incomplete jobs, are valued at the lower of cost and net realisable value. The cost comprises of material cost, direct labour and appropriate proportion of overheads. The quantity measured in pages considered for valuation is adjusted for pages where no realization is expected.

viii Revenue Recognition

Sales are recognized on delivery of projects or as per terms specified in contracts or purchase orders received from customers.

Revenues for web-site design and development are recognised based on the percentage of completion of the project. Revenues from web-site hosting are recognised rateably over the year for which the site is hosted and on man-hours basis for BPO operations.

ix Foreign Currency Transaction

a. Transaction in foreign currencies is accounted at the exchange rates prevailing on the date of the transaction and the realized exchange loss /gain are dealt with in the Profit & Loss account.

b. Monetary assets and liabilities denominated in foreign currency are restated at the rates of exchange as on the Balance Sheet date and the exchange gain/loss is suitably dealt with in the Profit and Loss account.

Overseas Operations

In accordance with Accounting Standard 11 (Revised), 'Accounting for the effects of changes in foreign exchange rates', the branch located outside India has been classified as "Integral foreign Operation". Non-monetary assets are translated at the rates as on the date of the transaction. Monetary assets and liabilities are translated at the closing rate. Income and expenses are translated at the monthly average rate. The resultant exchange differences are dealt with in the profit and loss account.

x Hedge Accounting

The Company uses forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable transactions.

The use of forward contracts is governed by the Company's policies on the use of such financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

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Forward contract derivative instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Considering that these derivative instruments do not qualify for hedge accounting, these changes in fair value are recognized in the profit and loss account as and when they arise during the year. Gains arising on such changes in fair value are however not recognised as a matter of prudence.

xi Employee Benefits

Defined contribution plans:

Provident Fund: Fixed contributions to Provident Fund and Employee State Insurance made on monthly basis with relevant authorities are absorbed by the Profit and Loss Account.

Superannuation Fund: The Company makes contribution to a scheme administered by the Life Insurance Corporation of India (LIC) to discharge its liabilities towards superannuation to the employees and the same is expensed to profit and loss account. The Company has no other liability other than its annual contribution.

Defined benefit plans (Long term employee benefits):

Gratuity: The Company accounts for its liability for future gratuity benefits based on actuarial valuation, as at the balance sheet date, determined by LIC using the projected unit credit method. The Company makes its contribution to a fund administered by the LIC to discharge gratuity liability to the employees. Effects of changes in actuarial valuation are immediately recognised in the profit and loss account.

Compensated Absences: Liability for compensated absences payable at the time of retirement/ resignation is determined on actuarial valuation as at the balance sheet date, by LIC using the projected unit credit method. The Company makes its contribution to a fund administered by the LIC to discharge the liability for compensated absences to the employees. Effects of changes in actuarial valuation are immediately recognised in the profit and loss account.

Short term employee benefits: Short term employee benefits are recognised as an expense as per the company's scheme based on expected obligations on an undiscounted basis.

xii Taxes on Income

Current Tax and Fringe Benefit Tax are determined in accordance with the provisions of the Income Tax Act 1961. Minimum Alternate Tax paid in accordance with the tax laws which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal tax after the tax holiday period. Accordingly it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably.

Deferred tax is calculated at the rates and laws that have been enacted or substantially enacted as of the balance sheet date and is recognized on timing differences that originate in one period and are expected to reverse after the expiry of exemption period under section 10A of the Income Tax Act, 1961. Deferred tax assets, subject to consideration of prudence are recognised and carried forward only to the extent that they can be realized.

xiii Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

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II. Balance Sheet

		As at 31.12.2009 Rs. in lacs	As at 31.12.2008 Rs. in lacs
1.	a. Issued, subscribed and paid-up share capital: Of the 1,68,22,668, equity shares (previous year 1,68,22,668 shares), 1,68,19,852 shares (previous year 1,68,19,852 shares) were allotted as fully paid up pursuant to contracts without payments being received in cash which includes 1,63,52,636 shares (previous year 1,63,52,636 shares) issued as Bonus Shares. Of the above 1, 03, 39,980 shares (previous year 1,03,39,980 shares) are held by HM Publishers Holdings Ltd, U.K. the Holding company.		
	b. During the year, 80,000 equity shares at a rate of USD 45 per share based on an independent valuation have been allotted by MPS Content Services Inc. to the Company against the advance subscription money of Rs. 1,767.52 lacs (USD 3,600,000) paid in 2008.		
2.	Estimated amount of contracts remaining to be executed on Capital Account and not provided for	**72.95**	189.36
3.	a. Medium Term Loan upto Rs. 600 lacs and Working capital and other fund based and non-fund based facilities of upto Rs.800 lacs, sanctioned by BNP PARIBAS and approved by the Board in their Meeting held on 27th November, 2009 has not been utilized by the company pending completion of formalities.		
	b. Book debts and inventories of the Company are hypothecated in favour of Standard Chartered Bank for certain sanctioned facilities amounting to Rs.159 lacs (fund based and non-funded), which were not availed and not renewed after August 2009.		
	c. Approval of the Board has been obtained for Working capital facilities of Rs.200 lacs from HSBC and the sanction from the bankers is awaited.		
4.	Bank Balances include:		
	a. With Scheduled Banks on Dividend Account	**3.08**	3.78
	b. Fixed deposits with bankers held as margin money for guarantees issued	**4.30**	6.90
	c. Deposits on lien towards Performance Guarantees and indemnities furnished to STPI/CEPZ authorities and customs	**6.75**	1.30
5.	Corporate guarantee given to Standard Chartered Bank on account of Frank Brothers & Co (Publishers) Limited, a fellow subsidiary.	**580.00**	580.00

6. In the year 2006 MPS Limited acquired MPS Content Services Inc, USA and its subsidiary MPS Content Services India Private Limited for a consideration of Rs. 1,562.74 lacs. In accordance with the terms of the Share Purchase agreement an amount of Rs. 24.22 lacs (equivalent USD 50,000) was retained in the books of MPS Content Services Inc from the consideration payable to the individual promoters as security for any breach of warranties or for any claim against MPS Limited (the purchaser) relating to the labour dispute and the transfer pricing assessments. During the year the final settlement was made to the promoters after reducing an amount of Rs. 9.79 lacs (equivalent of USD 21,002) towards claims relating to the labour dispute of MPS Content Services India Private Limited and an amount of Rs. 0.88 lacs (equivalent of USD 1887) towards advances taken by one of the promoters. Accordingly, this amount of Rs. 9.79 lacs is reduced from the carrying value of investments.

7. **Contingent Liability**

a. Disputed Demands:

Name of the Statute	Nature of Dues	Rupees (in lacs)	Period	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demands	5.21 (PY – Nil)	Asst Year 2003–04 of Subsidiary	Income Tax Appellate Tribunal Chennai
Income Tax Act, 1961	Income Tax Demands	24.36 (PY – 24.36)	Asst Year 2005–06	Commissioner of Income Tax (Appeals), Chennai
Income Tax Act, 1961	Income Tax Demands	147.28 (PY – Nil)	Asst Year 2006–07	Commissioner of Income Tax (Appeals), Chennai
Section 66A of Finance Act	Service Tax demands (Refer note b)	227.77 (PY – 227.77)	July, 2003 to Dec,2006	Customs and Excise Service Tax Appellate Tribunal, Bengaluru

b. No provision has been considered for service tax amounting to Rs. 227.77 lacs on overseas commission paid for the period from 1st July, 2003 to 31st December, 2006, as the demands raised by the Authorities for this period is being contested by the company. The service tax for the period from January 2007 to December 2008 together with interest amounts to Rs. 281.15 lacs out of which Rs. 154.46 lacs has been remitted. However, interest on delayed remittance of service tax Rs. 62.70 lacs has been provided for.

8. There are no amounts due to Micro, Small and Medium Enterprises as identified by the management and relied upon by the auditors.

9. The net worth of MPS Content Services Inc., USA, a subsidiary, has been eroded and its subsidiary MPS Content Services India Private Limited has not carried on operations during 2009 since its principal infrastructure (namely production activities, fixed assets, employees etc) has been transferred to the Company. However, the Company (MPS) has committed to extend continued financial and operational support to MPS Content Services Inc, USA and to MPS Content Services India Private Limited for the foreseeable future. Accordingly both the subsidiaries are considered as going concerns and the investments Rs. 3,320.47 lacs, receivables Rs. 257.28 lacs and advances Rs. 649.14 lacs relating to MPS Content Services Inc, USA are considered good and recoverable.

10. The Board of Directors of the Company at their meeting held on December 21, 2009 have approved the proposal for the Company to acquire the shares of MPS Content Services India Private Limited from MPS Content Services Inc, USA, whereby MPS Content Services India Private Limited will become a subsidiary of MPS Limited and cease to be a subsidiary of MPS Content Services Inc, USA.

III. Profit And Loss Account

		For the Year ended 31.12.2009 Rs. in lacs	For the Year ended 31.12.2008 Rs. in lacs
11.	Repairs to Plant and Machinery include stores consumed.	**Not applicable**	3.41
12.	In the meeting held on 25th February 2009, the remuneration of the Managing Director has been revised effective from 1st February, 2009. The revision has been approved by shareholders at the Annual General Meeting held on 23rd June 2009. An application seeking Central Government's approval has been filed to comply with provisions of Section 309 read with Schedule XIII of the Companies Act, 1956. The approval of the Central Government is awaited.		
	a. Remuneration to the Managing Director shown in the accounts under natural heads.		
	Salary	**35.00**	37.50
	Rent Allowance	**11.46**	8.35
	Special Allowance	**4.58**	1.20
	Annual Performance Bonus/Commission	**45.00**	42.00
	Contribution to Provident Fund	**4.20**	4.50
	Contribution to Superannuation Fund	**5.25**	5.63
	Contribution to Gratuity Fund	**1.68**	1.80
	Reimbursement of medical expenses	**0.22**	2.11
	Personal Accident Insurance	**–**	0.04
	Group Medical Policy	**0.45**	0.47
	Leave Salary Accrual	**–**	2.31
	Leave Travel concession	**2.92**	2.38
	Bonus	**5.32**	4.80
	b. Estimated Money Value of perquisites calculated as per Rule 3 (a) of the Income Tax Rules, 1972 to the Managing and Whole-time Directors.	**0.46**	0.18
	TOTAL	**116.54**	113.27

	For the Year ended 31.12.2009 Rs. in lacs	For the Year ended 31.12.2008 Rs. in lacs
(c) Computation of Net Profit for ascertaining Commission payable to Non-Executive Directors.		
Net Profit before taxation	**868.97**	2,328.92
Add: Directors remuneration	**116.54**	113.27
Directors Sitting fees	**3.40**	3.10
Commission to Non-Executive Directors	**10.50**	24.86
Wealth Tax Paid	**0.39**	1.55
	999.80	2,471.70
Less: Excess provision for Commission payable to non-executive directors in previous year written back	**0.86**	2.04
Less: (Loss)/Profit on sale of Investments	**–**	(17.19)
Less: Profit/loss on sale of assets and assets scrapped and written off (capital nature)	**(51.02)**	0.58
Profit for calculation of Commission	**1,049.96**	2,486.27
1% of Commission thereof to Non-Executive Directors	**10.50**	24.86
13. Miscellaneous expenditure includes:		
(a) Remuneration and expenses reimbursed to Auditors. (including Service Tax)		
(i) Audit Fees	**43.25**	34.15
(ii) Fees for other services:		
Income Tax representations	**9.20**	3.79
Certification Works	**9.54**	0.76
Tax audit	**11.50**	2.50
Transfer pricing	**3. 00**	2.81
(iii) Travelling and out-of-pocket expenses	**1.39**	0.97

	For the Year ended 31.12.2009 Rs. in lacs	For the Year ended 31.12.2008 Rs. in lacs
14. Quantitative particulars of production and sales		
i. Licensed Capacity	**Not applicable**	Not applicable
ii. Installed Capacity	**Not applicable**	Not applicable
iii. Actual Production		
Books (upto 11.05.08)	**Not applicable**	37,59,403
Digitized Data capture/Photo composed Books (pages)	**24,32,541**	18,33,703

(iv) Opening and Closing Stocks

	For Year Ended 31.12.2009		For Year Ended 31.12.2008	
	Numbers	Value Rs. in lacs	Numbers	Value Rs. In lacs
Opening Stock				
Published Books	–	–	1,21,58,472	1,574.25
Trade	–	–	47,831	47.86
Closing WIP				
Published Books	–	–	–	–
Trade	–	–	–	–
(v) Consumption of Raw Materials – others*		–		617.20

	Value Rs. in lacs	Percentage of Consumption	Value Rs. in lacs	Percentage of Consumption
(vi) Raw Materials, Spare Parts and Components consumed during the year*: Imported	–	–	0.20	0.03
Indigenous	–	–	637.78	99.97

* The figures for the current year have not been furnished as the entire direct costs incurred during the year relates to the services received.

	Numbers	Value Rs. in lacs	Numbers	Value Rs. in lacs
(vii) Turnover (including presentations and specimens)				
Books		–	67,76,716	4,186.92
Digitized Data Capture / Photo Composed Books (pages)	**24,32,541**	**11,129.88**	18,33,703	9,989.20
Digitized Data Capture (Adverts)		**601.86**		189.66
Learning and multimedia		**454.49**		223.02
Subscription from E-Learning		–		3.95
Paper Cuttings		–		17.92
Trade Books		–	14,318	21.52
Web Hosting, and software		**88.70**		507.23
Order Processing and Subscription Management		**1,782.00**		1,309.73
TOTAL		**14,056.93**		16,449.15

		For the Year ended 31.12.2009 Rs. in lacs	For the Year ended 31.12.2008 Rs. in lacs
15.	Earnings in foreign exchange		
	Export of goods/services calculated on FOB basis	**14,056.93**	12,239.23
16.	Value of imports on CIF basis		
	Plant and Machinery	**110.90**	160.54
	Components and Spare parts.	**–**	0.07
17.	Amount remitted during the year in foreign currency on account of:		
	Dividend	**–**	258.50
	Number of Non-Resident Shareholders	**–**	1
	Number of Shares held by them	**–**	1,03,39,980
	Year to which it relates	**–**	2007
18.	Expenditure in foreign currency on account of:		
	Royalty	**–**	25.73
	Foreign travel	**36.19**	93.13
	Commission/Discount paid	**61.55**	805.85
	Subscription	**–**	1.37
	Commission to overseas Directors	**–**	6.22
	Advertisement	**13.95**	2.53
	Sales & Marketing expenses reimbursed to MPS Content Services Inc., USA	**1,215.48**	–
	Software expenses	**5.28**	9.88
	Satellite rental charges	**29.08**	21.98
	Training Programme	**–**	2.12
	Purchase of Fixed Assets	**110.90**	160.54
	Purchase of Intangible assets	**13.92**	–
	Outsourcing cost	**29.91**	4.87
	Trade Mark Fee	**68.02**	–

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19. Employee Benefits

The Company's obligation towards gratuity is defined benefit plan. The details of actuarial valuation are given below:

	For the Year ended 31.12.2009 Rs. in lacs	For the Year ended 31.12.2008 Rs. in lacs
Defined benefit Plans: Gratuity		
(I) Change in Benefit Obligation		
Liability at the beginning of the year	**305.98**	644.18
Interest Cost	**21.24**	34.36
Current Service Cost	**42.70**	127.98
Benefit Paid	**(80.84)**	(429.12)
Actuarial (gain)/loss on obligations	**35.79**	(71.42)
Liability at the end of the year	**324.86**	305.98
(II) Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	**265.45**	575.32
Expected Return on Plan Assets	**21.65**	31.48
Contributions	**91.30**	65.49
Benefit Paid	**(80.84)**	(429.12)
Actuarial gain/(loss) on Plan Assets	**24.40**	22.28
Fair value of plan assets at the end of the year	**321.96**	265.45
(III) Actual Return on Plan Assets		
Expected Return on Plan Assets	**21.65**	31.48
Actuarial gain/(loss) on Plan Assets	**24.40**	22.28
Actual Return on Plan Assets	**46.05**	53.76
(IV) Amount Recognised in the Balance Sheet		
Liability at the end of the year	**324.86**	305.98
Fair Value of Plan Assets at the end of the year	**321.96**	265.45
Difference (Funded Status)	**2.90**	40.53
Amount Recognized in the Balance Sheet	**2.90**	40.53
(V) Expenses Recognised in the Income Statement		
Current Service Cost	**42.70**	127.98
Interest Cost	**21.24**	34.36
Expected Return on Plan Assets	**(21.65)**	(31.48)
Net Actuarial (Gain)/loss to be recognized	**11.38**	(93.70)
Expense Recognized in P & L	**53.67**	37.16
(VI) Balance Sheet Reconciliation		
Opening Net Liability	**40.53**	68.86
Expense as above	**53.67**	37.16
Employers Contribution	**(91.30)**	(65.49)
Amount Recognized in Balance Sheet	**2.90**	40.53
(VII) Actuarial Assumptions : For the year		
Discount Rate Current	**8%**	8%
Salary Escalation Current	**5%**	6%
Rate of Mortality	As per LIC (1994–96) Mortality Table	

The entire Plan Assets are managed by the Life Insurance Corporation of India (LIC). The details with respect to the composition of investments in the fair value of Plan Assets have not been disclosed in the absence of the necessary information.

The above disclosure excludes the figures of the overseas branch, as it is governed by the laws prevailing in the United States of America.

20. Segment Reporting

Based on a reconsideration of nature of risks, rewards and other relevant factors, the Exports of Information Processing and E-Business which were hitherto considered as individual reportable segments have been combined in to a single reportable segment namely 'Publishing Services'. Consequently, the figures for the previous year has been recasted to make it comparable with the current year.

		Rs. in lacs	Rs. in lacs.			
		As on 31.12.2009	As on 31.12.2008			
		Publishing Services	Publishing	Publishing Services	Other	Total
1	**Segment Revenue**					
	Net Sales-External	**13,995.38**	4,030.98	12,218.84		16,249.82
2	**Segment Result**	**845.18**	1,036.31	1,250.52		2,286.83
	Unallocated corporate expenses (Net)	**–**				–
	Operating Profit	**845.18**	1,036.31	1,250.52		2,286.83
	Interest expense	**(2.87)**			(2.13)	(2.13)
	Interest Income	**26.66**			44.22	44.22
	Income Taxes	**(156.32)**			(512.83)	(512.83)
	Net Profit	**712.65**	1,036.31	1,250.52	(470.74)	1,816.09
3	**Segment Assets**					
	Segment Asset	**15,709.03**		14,102.46		14,102.46
	Unallocated Corporate Assets		–	–	369.35	369.35
	Total Assets	**15,709.03**				14,471.81
	Segment Liabilities	**5,262.27**		(4,069.94)		(4,069.94)
	Unallocated Corporate Liabiliites			–	(68.61)	(68.61)
	Total Liabilities	**5,262.27**				(4,138.55)
4	**Capital Expenditure Addition**	**884.88**	124.32	815.83		940.15
5	**Depreciation**	**632.62**	59.11	554.66		613.77
6	**Non-cash expenses other than depreciation**	**(120.73)**	25.38	75.46	–	100.84

7	**Secondary Segment Information (Revenue) as per Geographical Market**	**As on 31.12.2009 Rs. in lacs**	As on 31.12.2008 Rs. in lacs
	India	**–**	4,010.58
	Europe	**6,957.90**	7,875.19
	USA	**6,531.73**	4,212.51
	Rest of the World	**505.75**	151.54
	Total	**13,995.38**	16,249.82
8	Carrying amount of Segment Assets		
	India	**7,668.45**	11,184.83
	Europe	**1,754.88**	1,856.36
	USA	**6,210.26**	1,395.22
	Rest of the World	**75.44**	35.40
	Total	**15,709.03**	14,471.81
9	Addition to Fixed Assets & Intangible Assets		
	India	**884.88**	940.15
	Other Countries	**–**	–
	Total	**884.88**	940.15

Notes:

1. Business Segments
   Consequent to the de-merger of the publishing business in 2008, the company operated in only one primary business segment namely "Publishing Services" during 2009. All assets, liabilities, revenue & expenses are related to this segment.

   The above segment has been identified taking into account the organisation structure as well as the differing risks and returns of the segment.The above disclosure relating to Business Segments have been provided to present the previous year figures.

2. Geographical Segments
   The company's operations are managed on a worldwide basis from India, although, they operate in four principal geographical areas of the world, namely India, Europe, United States of America and Rest of the world and the revenues are segregated based on the geographical location of the customer.

3. Segmental assets includes all operating assets used by respective segment and consists principally of operating cash, debtors, inventories and fixed assets net of allowances and provisions. Segmental liabilities include all operating liabilities and consist primarily of creditors and accrued liabilities. Segment assets and liabilities do not include income tax assets and liabilities.

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21. Related Party Disclosure

Information relating to related party transactions (As identified by the management and relied upon by auditors)

1. Parties where control exists

1.1 Ultimate Holding Company	Georg Von Holtzbrinck Gmbh & Co K.G.
1.2 Holding Company	H M Publishers Holdings Ltd

2. Subsidiary Companies:

MPS Technologies Ltd
MPS Content Services Inc., USA
MPS Content Services India Private Limited
MPS Mobile Inc., (dissolved w.e.f. 28.12.2009)

3. Fellow Subsidiaries with whom the company had transactions during the year

Macmillan Publishers Holdings LLC	Ediciones Castillo Grupo Macmillan, Mexico	HGV Hanseatische Gasellschaft
Macmillan Academic Inc	Gill & Macmillan Publishers	Bookworxs Gmbh
Macmillan Publishers Australia Proprietary Limited	Macmillan Publishers China Ltd	Holtzbrinck-USA
Macmillan Greece	Macmillan Publishers Limited	Macmillan Publishers India Limited
Macmillan Iberia SAU	Macmillan Education Limited	Frank Brothers & Co (Publishers) Limited
Macmillan SA	Kingfisher Publications Limited	

4. Key Management personnel Mr. Rajiv K Seth, Managing Director

5. Related party Transactions

a. Service Income/Sales

Fellow Subsidiaries	**For the Year ended 31.12.2009 (Rs. in Lacs)**	**For the Year ended 31.12.2008 (Rs. in Lacs)**
Macmillan Publishers Limited, UK	**2,084.94**	2,699.77
Macmillan Education Limited	**113.48**	20.73
Macmillan Publishers Holdings LLC	**324.16**	121.96
Macmillan Academic Inc	**380.96**	231.08
Macmillan Publishers (China) Ltd	**1.34**	2.02
Macmillan Publishers Australia Proprietary Limited	**30.21**	18.37
Macmillan Iberia SAU	**51.11**	–
MACMILLAN S A	**1.94**	–
Kingfisher Publications Limited	**1.55**	–
Bookworxs, Gmbh	**0.68**	3.87
HGV Hanseatische Gesellschaft	**35.15**	35.40
Gill & Macmillan Publishers	**4.20**	4.59
Macmillan Greece	**10.32**	16.52
Ediciones Castillo Group Macmillan, Mexico	**10.76**	26.40
Holtzbrinck-USA	**0.03**	–
	3,050.83	3,180.71
Subsidiaries:		
MPS Content Services Inc. USA	**467.73**	1,555.49
	467.73	1,555.49

	For the Year ended 31.12.2009 (Rs. in lacs)	For the Year ended 31.12.2008 (Rs. in lacs)
b. Purchases & Charges		
Subsidiary		
MPS Content Services Inc. USA		
Copy Editing & Pre production costs	**398.29**	–
Sales & Marketing and other charges	**817.19**	–
	1,215.48	–
MPS Content Services India Pvt. Ltd (assets purchased)	**26.00**	–
	1,241.48	–
c. Commission – Fellow Subsidiary		
Macmillan Publishers Limited, UK	**–**	805.85
d. Rent and share of expenses – Fellow Subsidiary		
Macmillan Publishers India Ltd	**6.27**	–
Macmillan Publishers Limited	**645.70**	–
	651.97	–
e. Share of expenses (Income) – subsidiary		
MPS Technologies Limited	**205.59**	–
f. Trade mark fee – Holding Company		
(included under Rates & Taxes under Schedule 17)		
HM Publishers Holdings Limited	**68.02**	–
g. Dividend – Holding Company		
HM Publishers Holdings Limited	**–**	258.50
h. Remuneration to Key Management Personnel	**116.54**	113.27

	As at 31.12.2009 (Rs. in lacs)	As at 31.12.2008 (Rs. in lacs)
i. Debtors – Fellow Subsidiaries		
Macmillan Publishers Limited	**422.02**	397.41
Macmillan Education Limited	**72.54**	14.58
Macmillan Publishers Holdings LLC	**91.24**	22.16
Macmillan Academic Inc	**98.69**	287.68
Macmillan S A	**1.46**	–
Macmillan Iberia SAU	**24.93**	–
Macmillan Publishers Australia Proprietry Limited	**8.74**	5.91
Bookworxs Gmbh	**-**	0.68
HGV Hanseatische Gesellschaft	**17.12**	15.29
Holtzbrinck-USA	**3.39**	–
Gill & Macmillan Publishers	**1.12**	2.44
Ediciones Castillo Group Macmillan, Mexico	**4.16**	10.26
Macmillan Greece	**-**	1.75
	745.41	758.16
Debtors – Subsidiary		
MPS Content Services Inc., USA	**257.28**	797.14
j. Creditors – Holding Company		
HM Publishers Holdings Limited	**68.02**	–
k. Creditors – Fellow Subsidiary		
Macmillan Publishers Limited, UK	**1,370.15**	1,222.75
Macmillan Publishers India Limited	**962.05**	952.53
	2,332.20	2175.28
l. Creditor-Subsidiary		
MPS Content Services Inc., USA	**115.52**	–
m. Loans & Advances – Subsidiaries		
MPS Technologies Ltd	**-**	50.00
MPS Content Services Inc. USA	**764.66**	629.72
	764.66	679.72
n. Amounts due to Subsidiaries		
MPS Content Services India Private Limited	**176.12**	8.80
MPS Technologies Ltd	**121.83**	151.72
	297.95	160.52
o. Off-Balance Sheet items:		
Corporate guarantee given to Standard Chartered Bank on account of Frank Brothers & Co (Publishers) Limited	**580.00**	580.00

22. Disclosure requirements under Accounting Standard 19 on 'Leases'

Financial lease comprises lease of vehicles under a Hire purchase scheme. The future cash flows are disclosed below:

Financial lease:

	Rentals Rs. in lacs		Present value Rs. in lacs	
	2009	2008	**2009**	2008
Rentals payable under Hire purchase agreement				
- Within one year	**20.32**	–	**13.46**	–
- Later than one year and not later than five years	**68.11**	–	**57.19**	–
	88.43	–	**70.65**	–
Less: Future finance charges	**17.78**	–	**–**	–
	70.65	–	**70.65**	–

23. Earnings per share

	For the year ended 31.12.2009	For the year ended 31.12.2008
Face Value per share	**10.00**	10.00
Profit after tax (Rs. In lacs) (numerator)	**712.65**	1,816.09
Weighted number of shares outstanding during the year (denominator)	**16,822,668**	16,822,668
Basic & Diluted Earnings per share (in Rupees)	**4.24**	10.80

24. Breakup of Deferred Tax Asset and Deferred Tax Liability arising out of timing differences

	As at 31.12.2009 Rs. in Lacs	As at 31.12.2008 Rs. in Lacs
a) Deferred Tax Asset		
Provision for Doubtful Debts	**29.07**	9.04
Provision for Compensated Absences	**55.49**	101.73
Others	**11.76**	13.50
Total	**96.32**	124.27
b) Deferred Tax Liability		
Depreciation	**201.45**	192.88
Net Deferred Tax Liability	**105.13**	68.61

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25. Pursuant to the announcement by the Institute of Chartered Accountants of India (ICAI) in respect of 'Accounting for Derivatives' though the Company has opted not to follow the recognition and measurement principles relating to derivatives as specified in Accounting Standard-30, 'Financial Instruments, Recognition and Measurement', issued by the ICAI for the year ended 31st December 2009, keeping in view the principle of prudence as enunciated in AS 1, *Disclosure of Accounting Policies,* the entity has not considered by way of prudence, the net gains in respect of all outstanding derivative contracts at the balance sheet date.

The value of forward contracts entered into to hedge the foreign currency risk of firm commitments/highly probable transactions as at 31st December 2009 is USD 11,500,000 and Euro 2,575,000 (Previous year USD 1,200,000, Euro 1,500,000 and GBP 600,000).

The remeasurement of the fair value as at the balance sheet date has resulted in mark to market net gains of Rs. 217.07 lacs (Previous year mark to market losses of Rs. 262.10 lacs) relating to undesignated forward contracts. The gains have not been recognised in the profit and loss account as a matter of prudence.

26. Current tax is determined in respect of taxable income for the calendar year ended December 31, 2009. The ultimate current tax liability will be determined on the basis of taxable income for the year April 01, 2009 to March 31, 2010.

Pursuant to amendment in Finance Act, 2009, Fringe Benefit Tax has been abolished with effect from April 1, 2009 and hence no provision is considered for the period April 1, 2009 to December 31, 2009.

27. The Company will initiate a review of the transactions with overseas associates to ascertain compliance with transfer pricing requirements under the Income Tax Act, 1961 during the year ending March 31, 2010. Therefore, adjustments, if any, arising out of such study, have not been made in the attached financial statements.

28. The financial statements of 2008 included the operating results of the Publishing Business upto 12th May 2008 which do not form part of the operating results for the current year consequent to the demerger. Hence the figures for the current year are not comparable with those of the previous year. Previous year figures have been regrouped/ reclassified wherever necessary to conform to the current year classification.

Per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

RAJIV K SETH
Managing Director

R R CHARI
Director

S M KRISHNAN
Secretary

Place: Bengaluru
Date: 3rd March 2010

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Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	0 5 7 9 5
State Code	1 8
Balance Sheet Date	31 (Date) 12 (Month) 2009 (Year)

II. Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	1611136
Total Assets	1611136

Sources of Funds

Paid-up Capital	168227
Reserves & Surplus	916682
Secured Loans	7065
Unsecured Loans	NIL
Deferred Tax Liability	10513

Application of Funds

Net Fixed Assets	308828
Investments	432047
Net Current Assets	361612
Misc. Expenditure	NIL
Accumulated Losses	NIL

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IV. Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
1427380	1340483

+	–	Profit/Loss Before Tax	+	–	Profit/Loss After Tax
✓		86897	✓		71265

(Please tick appropriate box + for Profit, - for Loss)

Earnings per Share in Rs.	Dividend Rate%
4.24	10

V. Generic Names of Three Products/Services of company (as per monetary terms)

Item Code (ITC Code) NOT APPLICABLE

Product Description PHOTO COMPOSED BOOKS

Item Code (ITC Code) NOT APPLICABLE

Product Description DIGITIZED DATA CAPTURE

Place: Bengaluru	**RAJIV K SETH**	**R R CHARI**	**S M KRISHNAN**
Date: 3rd March 2010	Managing Director	Director	Secretary

Statement pursuant to Section 212 of the Companies Act, 1956

Name of the subsidiary company	Financial year ending of the subsidiary	Number of equity shares held	Number of preference shares held	Extent of holding	For financial year of the subsidiary		For the previous financial years since it became a subsidiary	
					Profits/(losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company (except to the extent dealt with in col. 7)	Profits/(losses) so far it concerns the members of the holding company and dealt with in the books of account of the holding company	Profits/(losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company (except to the extent dealt with in col. 9)	Profits/(losses) so far it concerns the members of the holding company and dealt with in the books of account of the holding company
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
					Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
MPS Technologies Limited	31.12.2009	10,000,000	–-	100%	102.92	–	340.51	–
MPS Content Services India Private Ltd	31.12.2009	10,001	–	100%	(113.89)	–	345.17	–
MPS Content Services Inc., USA	31.12.2009	90,527	–	100%	(229.97)	–	(2458.34)	–

Note: The registration of MPS Mobile Inc which was incorporated as a subsidiary of MPS Content Services Inc, USA in 2009 as a legal entity was de-activated with the Office of the Secretary of State, Oregon due to onset of recessionary conditions and downturn in the global economic environment.

For and on behalf of the Board

Bengaluru
3rd March 2010

RAJIV K SETH
Managing Director

R R CHARI
Director

S M KRISHNAN
Secretary

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Subsidiary Companies' Particulars

Particulars regarding subsidiary companies as at 31st December 2009

(Rs. in lacs)

Name of the Subsidiary Company	Issued and Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend
MPS Technologies Limited	1,000.00	443.42	1,746.18	302.76	–	1,787.83	39.29	(63.63)	102.92	–
MPS Content Services India Private Ltd	10.00	231.27	260.00	18.73	–	11.01	(112.24)	1.65	(113.89)	–
MPS Content Services Inc., USA	1,801.16	(2,780.27)	436.83	1,415.94	14.92	2,353.61	(231.15)	(1.18)	(229.97)	–

Note:

(i) In respect of MPS Content Services Inc-USA,the USD currency conversion has been applied on basis of Intergral method of accounting in accordance with "Accounting Standard 11" issued by the Institute of Chartered Accountans of India.

(ii) The registration of MPS Mobile Inc which was incorporated as a subsidiary of MPS Content Services Inc, USA in 2009 as a legal entity was de-activated with the Office of the Secretary of State, Oregon due to onset of recessionary conditions and downturn in the global economic environment.

For and on behalf of the Board

Bengaluru
3rd March 2010

RAJIV K SETH
Managing Director

R R CHARI
Director

S M KRISHNAN
Secretary

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF MPS LIMITED (FORMERLY MACMILLAN INDIA LIMITED) ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MPS LIMITED AND ITS SUBSIDIARIES

1. We have audited the attached consolidated balance sheet of MPS Limited (formerly Macmillan India Limited) and its subsidiaries as at 31st December 2009, the consolidated profit and loss account and the consolidated cash flow statement for the year then ended. These financial statements are the responsibility of MPS Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. We report that the consolidated financial statements have been prepared by the management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, as notified by Companies (Accounting Standard) Rules, 2006.

4. *Attention is invited to Note no. II (7) of Schedule 18 regarding the revision in the remuneration of Managing Director of the Company, which is subject to approval from Central Government to comply with Section 309 read with Schedule XIII of the Companies Act, 1956.*

5. Without qualifying our opinion, we draw attention to Note No. II (8b) of Schedule 18 regarding the non-provision of service tax demand, against which the Company has filed an appeal with the concerned authorities.

6. Based on our audit and *subject to the matter referred to in paragraph 4 above* and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements together with the notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:

   a. in the case of consolidated balance sheet, of the consolidated state of affairs of MPS Limited and its subsidiaries as at 31st December 2009;

   b. in the case of consolidated profit and loss account, of the consolidated results of operations of MPS Limited and its subsidiaries for the year then ended; and

   c. in the case of consolidated cash flow statement, of the consolidated cash flows of MPS Limited and its subsidiaries for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 008072S)

Place: Bengaluru
Date: 3rd March, 2010

Bhavani Balasubramanian
Partner
Membership No. 22156

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CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 2009

	Schedule No.	As at 31.12.2009 Rs. in Lacs		As at 31.12.2008 Rs. in Lacs	
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
Share capital	1	**1,682.27**		1,682.27	
Reserves & surplus	2	**6,862.52**		6,587.61	
			8,544.79		8,269.88
2. Loan Funds					
Secured Loan	3		**419.87**		307.11
3. Deferred Tax Liability (Net) (Note No.II (14) of Schedule 18)			**105.13**		136.18
			9,069.79		8,713.17
II. APPLICATION OF FUNDS					
1. Fixed Assets	4				
Gross Block		**8,107.65**		7,847.85	
Depreciation		**4,516.18**		4,278.24	
Net Block		**3,591.47**		3,569.61	
Capital work in progress including capital advances		**80.21**		193.63	
			3,671.68		3,763.24
2. Goodwill (Note No.II (3) of Schedule 18)			**1,326.58**		1,336.37
3. Current Assets, Loans and Advances					
Inventories	5	**1,221.97**		1,354.66	
Sundry Debtors	6	**3,500.56**		3,609.12	
Cash and Bank Balances	7	**2,272.18**		2,113.17	
Loans and Advances	8	**2,104.35**		1,639.57	
Total Current Assets		**9,099.06**		8,716.52	
Less: Current Liabilities	9	**4,610.30**		4,773.87	
Provisions	10	**417.23**		329.09	
Total Current Liabilities & Provisions		**5,027.53**		5,102.96	
Net Current Assets			**4,071.53**		3,613.56
			9,069.79		8,713.17
Notes on Accounts	18		–		–

Per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

RAJIV K SETH
Managing Director

R R CHARI
Director

S M KRISHNAN
Secretary

Place: Bengaluru
Date: 3rd March 2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2009

	Schedule No	For the Year ended 31.12.2009 Rs. in lacs		For the Year ended 31.12.2008 Rs. in lacs	
INCOME					
Service Income/Sales		**16,419.79**		22,510.79	
Less: Discounts		**65.36**	**16,354.43**	199.33	22,311.46
Interest Income	11		**9.49**		57.50
Other Income	12		**361.73**		179.27
			16,725.65		22,548.23
EXPENDITURE					
Difference in Stocks & Purchases	13	**132.69**		549.04	
Direct Cost / Raw Materials Consumed	14	**183.04**		1,004.00	
Staff Costs	15	**9,371.38**		9,723.66	
Other Expenditure	16	**5,548.97**		8,737.15	
Interest expense	17	**16.22**		24.98	
Depreciation		**908.46**	**16,160.76**	888.84	20,927.67
Less: Amount Capitalised towards Software Development cost			**–**		(363.44)
Profit before taxation			**564.89**		1,984.00
Provision for taxation					
Current Tax		**361.41**		608.85	
Deferred Tax		**(31.05)**		76.81	
MAT Credit Entitlement		**(276.50)**		(17.50)	
Fringe Benefit tax		**39.30**		63.70	
			93.16		731.86
			471.73		1,252.14
Minority Interest			**–**		3.81
Profit after taxation			**471.73**		1,248.33
Brought forward from previous year			**6,379.00**		11,916.01
Profit available for Appropriations			**6,850.73**		13,164.34
Appropriations:					
Transfer to General Reserve			**500.00**		500.00
Adjustment made on account of Amalgamation			**–**		931.36
Adjustment made on account of Demerger			**–**		5,135.28
Transfer of Share Capital and Reserves of a Subsidiary on account of Demerger			**–**		218.70
Dividend on Equity Shares					
Proposed Dividend			**168.23**		–
Corporate tax thereon			**28.59**		–
Surplus carried to Balance Sheet			**6,153.91**		6,379.00
Notes on Accounts	18				
Basic and diluted earnings per share (Face value Rs. 10)			2.80		7.42

Per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants

BHAVANI BALASUBRAMANIAN	**RAJIV K SETH**	**R R CHARI**	**S M KRISHNAN**
Partner	Managing Director	Director	Secretary

Place: Bengaluru
Date: 3rd March 2010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2009

Description	For the year ended 31.12.2009 Rs. in lacs		For the year ended 31.12.2008 Rs. in lacs	
A. Cash flow from Operating activities:				
Net Profit before tax		**564.88**		1,984.00
Adjustments for:				
Depreciation	**908.47**		888.84	
Currency Translation adjustment	**–**		(91.96)	
Interest and Finance Charges	**19.91**		24.98	
Expenses capitalised towards software	**–**		(363.44)	
Loss/(Profit) on sale of fixed assets -net	**51.99**		0.06	
Fixed Asset Written-off	**52.72**		–	
Compensated Absences	**(111.03)**		130.65	
Unrealised exchange loss/(gain)	**(230.96)**		224.74	
Interest received	**(13.19)**		(57.50)	
Loss/(Profit) on sale of investments	**–**		17.19	
Dividend Received	**–**		(31.70)	
Provisions for:				
Doubtful Debts	**58.84**		40.33	
Bad Debts/Advances written off	**12.89**		79.80	
Amounts written back:				
Excess provision for Doubtful Debts & Advances	**–**		–	
Commission to Non-Executive Directors	**(0.86)**		(2.04)	
Unclaimed credit balances	**(47.19)**		(32.14)	
		701.59		827.81
Operating Profit before working capital changes		**1,266.47**		2,811.81
Adjustments for:				
Decrease/(Increase) in Trade and other receivables	**545.33**		(3,999.53)	
Decrease in Inventories	**132.69**		171.16	
(Decrease)/Increase in Trade and other payables	**(919.68)**		1,566.90	
		(241.66)		(2,261.47)
Cash generated from operations		**1,024.81**		550.34
Direct taxes including Fringe Benefit Tax paid		**(161.37)**		(434.30)
Net Cash generated from operating activities		**863.44**		116.04

consolidated cash flow statement

Description	For the year ended 31.12.2009 Rs. in lacs		For the year ended 31.12.2008 Rs. in lacs	
B. Cash flow from Investing activities:				
Purchase of fixed assets	**(945.22)**		(1,145.44)	
Purchase of investments	**–**		(797.77)	
Proceeds from sale of fixed assets	**23.60**		7.59	
Proceeds from sale of investments	**0.54**		1,003.53	
Dividend Received	**–**		26.25	
Proceeds from Maturity of Deposits on Lien	**16.18**		–	
Interest received	**6.57**		48.14	
Net cash used in investing activities		**(898.33)**		(857.70)
C. Cash flow from Financing activities:				
Interest paid	**(16.21)**		(20.39)	
Repayment of long term borrowing	**–**		(26.64)	
Proceeds from Short Term Borrowings-Bank	**67.74**		–	
Proceeds from Bank- Finance Lease	**70.65**		–	
Dividend paid (Inclusive of dividend tax & unclaimed dividends)	**(0.70)**		(503.08)	
Net cash used in financing activities		**121.48**		(550.11)
Net Increase (Decrease) in cash and cash equivalents		**86.59**		(1,291.77)
Cash and cash equivalents at the beginning of the year	**2,082.79**		3,903.71	
Currency Translation adjustment	**–**		9.61	
Less: Cash balance of Publishing division adjusted on demerger	**–**		(538.76)	
	2,082.79		3,374.56	
EEFC Exchange Difference-Unrealised	**(88.60)**		–	
Cash and cash equivalents at the end of the year	**2,257.98**	**86.59**	2,082.79	(1,291.77)
Cash and Cash Equivalents as per Cash flow statement		**2,257.98**		2,082.79
Restricted balances placed in deposit accounts		**14.20**		30.38
Cash and Cash Equivalents as per Balance Sheet		**2,272.18**		2,113.17

Per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

RAJIV K SETH
Managing Director

R R CHARI
Director

S M KRISHNAN
Secretary

Place: Bengaluru
Date: 3rd March 2010

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SCHEDULES TO ACCOUNTS

SCHEDULE NO.	As at 31.12.2009 Rs. in lacs	As at 31.12.2008 Rs. in lacs
1. Share Capital		
Authorised		
200,00,000 (Previous year 200,00,000) Equity Shares of Rs.10 each	**2,000.00**	2,000.00
Issued, Subscribed and Paid up		
1,68,22,668 (Previous year 1,68,22,668) Equity Shares of Rs.10 each fully paid up (Note No.II (1) (a) of Schedule 18)	**1,682.27**	1,682.27
2. Reserves and Surplus		
General Reserve:		
As per last Balance Sheet	**–**	6,078.03
Add: Transfer from Profit & Loss account	**500.00**	500.00
	500.00	6,578.03
Less: Adjustment made on account of Demerger	**–**	(6,578.03)
	500.00	–
Add: Surplus shown in Profit & Loss account	**6,153.91**	6,379.00
	6,653.91	6,379.00
Capital Reserve	**178.30**	178.30
Foreign Currency Transalation Reserve	**30.31**	30.31
	6,862.52	6,587.61
3. Loan Funds		
Secured Loan		
Working capital Loan from Bank (Refer Note No II (2)(c) of Schedule 18)	**349.22**	307.11
Finance Lease obligations (Secured on assets taken under Finance Lease) (Refer Note No II(12) of Schedule 18)	**70.65**	–
	419.87	307.11

MPS A Macmillan Company

4. FIXED ASSETS

(Rs.in lacs)

	COST							DEPRECIATION							NET BOOK VALUE	
Description	As at 01.01.2009	Currency Translation Adjustment	Assets Reclassified	Additions	Deletions / Adjustments	Transferred on Demerger	As at 31.12.2009	As at 01.01.2009	Currency Translation Adjustment	Assets Reclassified	Deletions / Adjustments	Depreciation for the year	Transferred on Demerger	As at 31.12.2009	As at 31.12.2009	As at 31.12.2008
Land *	405.05	–	–	–	–	–	405.05	–	–	–	–	–	–	–	405.05	405.05
Buildings *	1,497.02	–	–	–	–	–	1,497.02	595.01	–	–	–	43.25	–	638.26	858.76	902.01
Plant & Machinery **	4,285.00	–	(646.94)	399.28	436.75	–	3,600.59	2,812.35	–	(218.10)	388.91	433.65	–	2,638.99	961.60	1,472.65
Furniture & Fixtures	1,197.00	–	27.10	207.21	250.63	–	1,180.68	688.86	–	17.05	174.66	126.37	–	657.62	523.06	508.14
Vehicles ***	176.44	–	–	87.39	15.11	–	248.72	104.22	–	–	13.83	28.28	–	118.67	130.05	72.22
Intangibles - Software	287.34	–	619.84	364.76	96.35	–	1,175.59	77.80	–	201.05	93.11	276.90	–	462.64	712.95	209.54
TOTAL	7,847.85	–	–	1,058.64	798.84	–	8,107.65	4,278.24	–	–	670.51	908.45	–	4,516.18	3,591.47	3,569.61
Previous Year	9,368.52	62.25	–	1,353.97	103.08	2,833.81	7,847.85	5,085.14	43.53	–	95.43	888.84	1,643.84	4,278.24	3,569.61	4,283.38
Add: Capital Work in Progress															80.21	193.63
TOTAL															3,671.68	3,763.24

* Land and Building includes property at HMG Ambassador at a cost of Rs. 400 lacs and Rs. 1213 lacs respectively. The title to this property is jointly held with other co-owners in the name of HMG Ambassador Property Management Private Limited, represented by 1,47,50,000 equity shares of Rs. 10/- each representing the value of Land and Buildings with irrevocable right of permanent occupation.

** Plant & Machinery – Computers & Networking Equipments as on 31.12.2009 includes assets costing Rs. 326.82 lacs (Rs. 319.13 lacs), which is located outside India.

*** Includes vehicles acquired during the year under Hire Purchase agreement Rs. 87.39 lacs - WDV as at 31.12.2009 Rs. 77.66 lacs (31 December 2008 – Nil)

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	AS AT 31.12.2009 Rs. in lacs		AS AT 31.12.2008 Rs. in lacs	
5. Inventories				
Incomplete jobs		**1,221.97**		1,354.66
6. Sundry Debtors – Unsecured				
Debts outstanding for a period exceeding six months:				
Considered good	**205.27**		321.94	
Considered doubtful	**85.54**		26.61	
		290.81		348.55
Other debts:				
Considered good		**3,295.29**		3,287.18
		3,586.10		3,635.73
Less: Provision for doubtful debts		**85.54**		26.61
		3,500.56		3,609.12
7. Cash and Bank Balances				
Cash (includes cheques on hand Rs. Nil (Previous year 0.21 lacs)		**1.47**		11.95
Bank Balances (Note No.II (6) of Schedule 18):				
With Scheduled Bank on:				
Current Accounts	**1,899.26**		2,015.55	
Deposits Accounts	**371.45**		85.67	
		2,270.71		2,101.22
		2,272.18		2,113.17

	As at 31.12.2009 Rs. in lacs	As at 31.12.2008 Rs. in lacs
8. Loans and Advances (Unsecured and Considered good)		
Advances recoverable in cash or in kind or for value to be received considered good	**1,550.15**	1,207.42
Interest accrued on Deposits	**2.88**	0.39
Advance payment of Income Tax (Net of Provision)	**203.32**	360.26
MAT Credit Entitlement	**348.00**	71.50
	2,104.35	1,639.57
9. Current Liabilities		
Sundry Creditors:		
Micro Enterprises and Small Enterprises	**–**	–
Other than Micro Enterprises and Small Enterprises	**1,596.27**	3,174.86
Other Liabilities	**2,947.14**	1,528.37
Due to Directors	**63.81**	66.86
Investor Education and Protection Fund shall be credited by the following amount: Unpaid Dividend *	**3.08**	3.78
	4,610.30	4,773.87
10. Provisions		
Proposed Dividend on Equity shares	**168.23**	–
Corporate tax thereon	**28.59**	–
Provision for Compensated Absences	**220.41**	329.09
	417.23	329.09

* There is no amount falling due as at the Balance sheet date to be credited to the Investor Education and Protection fund and the above amount represents Dividend Warrants issued but not encashed.

		For the year ended 31.12.2009 Rs. in lacs		For the year ended 31.12.2008 Rs. in lacs
11. Interest Income				
On Fixed Deposits with Bankers		**9.49**		38.99
[Tax Deducted at source: 2009-Rs.(in Lacs)- 1.26] 2008-Rs.(in Lacs)- 9.11]				
On Investments		**–**		18.51
		9.49		57.50
12. Other Income				
Profit on sale of Assets, net		**4.17**		–
Rent received		**141.13**		92.00
[Tax Deducted at source: 2009-Rs.(in Lacs) - ; 25.17 2008-Rs.(in Lacs) - ; 23.43				
Lease rent received		**8.16**		10.15
[Tax Deducted at source: 2009-Rs.(in Lacs) 1.81] 2008-Rs.(in Lacs) 2.76]				
Miscellaneous receipts		**8.09**		10.80
Royalty received		**–**		0.05
Dividend		**–**		31.70
Bad Debts written off in earlier years recovered		**–**		0.39
Unclaimed credit balances written back		**–**		32.14
Profit on exchange difference, net		**151.01**		-
Excess provision written back				
For Commission payable to Non-executive Directors		**0.86**		2.04
Others		**48.31**		–
		361.73		179.27
13. Difference in Stocks and Purchases				
Opening Stock:				
Incomplete Jobs	**1,354.66**		1,533.59	
Finished Goods	**–**		2,346.69	
Purchases	**–**	**1,354.66**	15.68	3,895.96
Less: Closing Stock				
Finished Goods and Incomplete jobs transferred to Macmillan Publishers India Limited on demerger	**–**		1,992.26	
Incomplete Jobs	**1,221.97**	**1,221.97**	1,354.66	3,346.92
		132.69		549.04

	For the year ended 31.12.2009 Rs. in lacs		For the year ended 31.12.2008 Rs. in lacs	
14. Direct Cost/Raw Materials Consumed				
Opening Stock		**-**		715.34
Add: Purchases		**183.04**		780.48
		183.04		1,495.82
Less: Closing Stock	**–**		–	
Transfer on Demerger	**–**	**–**	491.82	491.82
		183.04		1,004.00
15. Staff Costs				
Salaries, Wages and Bonus		**8,024.96**		6,148.18
Contribution to Provident and Other Funds		**353.16**		418.90
Workmen and Staff Welfare Expenses		**993.26**		3,156.58
		9,371.38		9,723.66
16. Other Expenditure				
Outside printing charges		**1,124.32**		1,259.91
Consumption of stores		**–**		18.84
Rent Paid		**875.27**		912.16
Repairs to:				
Buildings	**285.72**		90.92	
Vehicles	**11.72**		92.42	
Plant & Machinery	**138.96**	**436.40**	377.20	560.54
Insurance		**186.24**		140.69
Packing and Forwarding		**77.82**		210.97
Postage,Telex and Telephones		**543.15**		376.53
Travelling and Conveyance		**808.15**		975.22
Royalty		**–**		418.86
Power and Fuel		**397.98**		423.17
Rates and Taxes		**178.75**		46.44
Directors Sitting Fees		**3.40**		3.10
Directors Commission		**10.52**		19.00
Advertisement		**18.60**		35.39
Entertainment		**16.10**		25.30
Provision for Doubtful Debts		**58.93**		40.33
Bad Debts written off		**–**		79.80
Sales Promotion Expenses		**17.38**		82.93
Commission on sales		**–**		857.12
Loss on sale of Investments		**–**		17.19
Loss on Sale of Assets		**56.16**		0.06
Loss on exchange difference, net		**–**		156.83
Miscellaneous expenditure		**739.80**		2,076.77
		5,548.97		8,737.15
17. Interest Paid				
On Cash/Packing Credit		**–**		0.25
On income Tax		**–**		4.55
Interest Paid to Bankers		**16.22**		–
Others		**–**		20.18
		16.22		24.98

18 Notes to the Consolidated Financial Statements for the Year Ended 31st December 2009.

I. SIGNIFICANT ACCOUNTING POLICIES:

Background

MPS Limited (formerly Macmillan India Limited), the parent company is engaged in the business of providing typesetting and data digitization services for overseas publishers. The Company has a 100% Export Oriented Unit in Bengaluru. It also has units registered under the Software Technology Park of India (STPI) scheme that are located in Chennai, Delhi and Gurgaon. In March, 2009, the Company has set up an Unit at Noida which is located in a Special Economic Zone notified area. The Company also operates through its branches in United States of America and United Kingdom. The Company provides Publishing services relating to typesetting of books and journals, composing of Yellow Page Ads and catalogues, data coding, conversion, indexing, editing, copy editing and editorial services to global publishers.

MPS Limited has two direct subsidiaries MPS Technologies Limited and MPS Content Services Inc, USA (formerly ICC Macmillan Inc, USA). MPS Content Services India Private Limited (formerly ICC India Private Limited) is a subsidiary of MPS Content Services Inc, USA.

With effect from 25th June 2009, the Company has changed its name to "MPS Limited" and the necessary statutory approvals have been obtained for change of name.

The Indian Subsidiary ICC India Private Ltd has changed its name to MPS Content Services India Pvt. Ltd and Foreign Subsidiary in USA had changed its name from ICC Macmillan Inc to MPS Content Services Inc.

MPS Mobile Inc, a subsidiary of MPS Content Service Inc (formerly ICC Macmillan Inc, USA) which was formed during the year was dissolved on 28th December 2009 since the company did not commence business.

1. Basis of consolidation

The consolidated financial statements comprise financial statements of MPS Limited and its subsidiaries, drawn up to December 31, 2009. These consolidated financial statements have been prepared in accordance with **Accounting Standard 21, *"Consolidated Financial Statements"*** as notified by the Companies (Accounting Standard) Rules, 2006.

Subsidiary companies considered in these consolidated financial statements are:

Name of the company	Country of Incorporation	Ownership Interest %
MPS Technologies Limited	India	100%
MPS Content Services Inc. USA	USA	100%
MPS Content Services India Private Limited (Subsidiary of MPS Content Services Inc. USA)	India	100%

Consistency in adoption of accounting policies among all group companies is ensured to the extent feasible.

The financial statement of the parent company and the subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group transactions. The subsidiary company located outside India (MPS Content Services Inc. USA) was considered a non-integral operation for the purpose of Accounting Standard 11 till 2008. Due to change of the business model, the foreign operation has been reclassified as integral foreign operation with effect from January 1, 2009. The branch located outside India has been classified as "Integral foreign Operation" as the funds for operations are provided by the parent company. Non-monetary assets are stated at the rates as on the date of the transaction. Monetary assets and liabilities are translated at the closing rate. Income and expenses are translated at the average rate prevailing during the year. All exchange differences are dealt with in the profit and loss account.

Goodwill arising on consolidation represents the excess of carrying cost of acquisition of subsidiaries over the net worth of the respective subsidiaries. Considering the present intrinsic value of assets of the subsidiaries, the management is of the opinion that there is no impairment in the value of goodwill.

2. The significant accounting policies adopted in the preparation of financial statements are as follows:

a. Basis of preparation of financial statements:

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with accounting principles generally accepted in India (Indian GAAP) and comply with the accounting standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006, and relevant provisions of the Companies Act, 1956, for the parent Company and its Indian subsidiaries and Generally Accepted Accounting Principles in America for MPS Content Services Inc, (formerly known as ICC Macmillan Inc., USA). There is no material adjustments required to be made in the financial statements of overseas subsidiary to bring them in line with the Indian GAAP.

b. Use of Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

c. Fixed Assets:

Fixed assets and intangibles (software - purchased as well as developed in-house) are stated at cost less accumulated depreciation. The cost of assets comprises its purchase price, including import duties and other non-refundable taxes or levies, wherever applicable, and any directly attributable cost of bringing the asset to its working condition for its intended use. Internally developed software are stated at direct cost attributable to the asset including other applicable costs.

d. Depreciation / Amortisation:

Depreciation has been provided on the Written Down Value method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Assets individually costing less than Rs.5000/- added during the year are fully depreciated.

Computer software (purchased and developed in-house) of the Publishing Solutions businesses is treated as Intangible assets and are amortised over an expected useful life of 2 to 5 years, as estimated by the management.

The cost of improvements to leasehold premises is being amortized over the primary / extended period of lease.

In the subsidiary company – MPS Content Services Inc., USA and the foreign branch of the company, MPS North America, assets are depreciated based on their estimated useful life as follows:

Overhead Equipment, other than Furniture, Production Equipment and REG Equipment – 5 years.

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Computer Software – 5 years.
Furniture – 7 years.
Leasehold improvements – 3 years.

e. Impairment of Assets:

The Company determines whether there is any indication of impairment of the carrying amount of its assets. The recoverable amount of such assets are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

f. Investments – Long Term:

Long Term Investments are stated at cost. Provision for diminution is made if such diminution is considered other than temporary in nature.

g. Inventories:

Inventories comprising incomplete jobs, are valued at the lower of cost and net realisable value. The cost comprises of material cost, direct labour and appropriate proportion of overheads. The quantity measured in pages considered for valuation is adjusted for pages where no realization is expected.

h. Revenue Recognition:

Sales are recognized on delivery of projects or as per terms specified in contracts or purchase orders received from customers

Revenues for web-site design and development are recognised based on the percentage of completion of the project. Revenues from web-site hosting are recognised rateably over the year for which the site is hosted and on man-hours basis for BPO operations.

Revenue on fixed price service contracts are recognized as per the terms of the contract over the life of the contract.

Revenue for Usage Statistic Services is being recognised based on number of page views and number of institutions and as per slab rates specified in the agreement.

Revenue from software development on fixed price contracts is recognized according to the milestone achieved as specified in the contract, and is adjusted on the "proportionate completion" method based on the work completed.

On time and material contracts, revenue is recognized based on time spent as per the terms of the specific contracts.

i. Foreign Currency Transaction

Indian Operations:

a. Transaction in foreign currencies is accounted at the exchange rates prevailing on the date of the transactions and the realized exchange loss /gain are dealt with in the Profit & Loss account.

b. Monetary assets and liabilities denominated in foreign currency are restated at the rates of exchange as on the Balance Sheet date and the exchange gain/loss is suitably dealt with in the Profit and Loss account.

Overseas Operations:

In accordance with Accounting Standard 11 (Revised), 'Accounting for the effects of changes in foreign exchange rates', the branch located outside India has been classified as "Integral foreign Operation". Non-monetary assets are translated at the rates as on the date of the transaction. Monetary assets and liabilities are translated at the closing rate. Income and expenses are translated at the monthly average rate. The resultant exchange differences are dealt with in the profit and loss account.

The subsidiary company located outside India (MPS Content Services Inc. USA) was considered a non-integral operation for the purpose of Accounting Standard 11 till 2008 since it had direct contracts with significant number of customers which resulted in the activities of the foreign operation being financed mainly from its own operations and local borrowings.

In 2009, as part of strategic re-structuring plan, the contracts of the customers were transferred from the subsidiary to the parent company and a cost-plus agreement was put in place whereby the overseas subsidiary bills to the parent for the onshore jobs done on its behalf.

All the major business decisions of the foreign subsidiary are now controlled by the parent Company, thereby, resulting in non-existence of significant degree of autonomy for the foreign subsidiary.

As a result of the change of the business scenario detailed above, the foreign operation has been reclassified as integral foreign operation with effect from January 1, 2009.

Consequent to the change in classification, in accordance with Accounting Standard 11, the opening balances of currency translation reserve and non monetary assets and liabilities have been retained. As at the year end, non-monetary assets are translated at the rates as on the date of the transaction. Monetary assets and liabilities are translated at the closing rate. Transactions during the year are translated at the monthly average rate. The resultant exchange differences are dealt with in the profit and loss account. All monetary items are restated at the closing exchange rate of Rs 46.62 per USD.

j. Hedge Accounting

The Company uses forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable transactions.

The use of forward contracts is governed by the Company's policies on the use of such financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

Forward contract derivative instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Considering that these derivative instruments do not qualify for hedge accounting, these changes in fair value are recognized in the profit and loss account as they arise. Gains arising on such changes in fair value are however not recognised as a matter of prudence.

k. Employee Benefits:

Defined contribution plans:

Provident Fund: Fixed contributions to Provident Fund and Employee State Insurance made on monthly basis with relevant authorities are absorbed by the Profit and Loss Account.

Super annuation Fund: The Company makes contribution to a scheme administered by the Life Insurance Corporation of India (LIC) to discharge its liabilities towards super-annuation to the employees and the same is expensed to profit and loss account. The Company has no other liability other than its annual contribution.

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Defined benefit plans (Long term employee benefits):

Gratuity: The Company accounts for its liability for future gratuity benefits based on actuarial valuation, as at the balance sheet date, determined by LIC using the projected unit credit method. The Company makes its contribution to a fund administered by the LIC to discharge gratuity liability to the employees. Effects of changes in actuarial valuation are immediately recognised in the profit and loss account.

Compensated Absences: Liability for compensated absences payable at the time of retirement/resignation is determined by LIC using the projected unit credit method. Effects of changes in actuarial valuation are immediately recognised in the profit and loss account.

During the year the Company has started making contribution to a fund administered by the LIC to discharge Compensated Absences liability to the employees.

Short term employee benefits: Short term employee benefits are recognised as an expense as per the company's scheme based on expected obligations on an undiscounted basis.

With respect to overseas subsidiary, the Company has provided for employee benefits as per their local regulations.

l. Taxes on Income

Current Tax and Fringe Benefit Tax are determined in accordance with the provisions of the Income Tax Act 1961. Minimum Alternate Tax paid in accordance with the tax laws which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal tax after the tax holiday period. Accordingly it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably.

Deferred tax assets, subject to consideration of prudence are recognised and carried forward only to the extent that they can be realized. Deferred tax is calculated at the rates and laws that have been enacted or substantially enacted as of the balance sheet date and is recognized on timing differences that originate in one period and are expected to reverse after the expiry of exemption period under section 10B of the Income Tax Act, 1961. Deferred tax assets, subject to consideration of prudence are recognised and carried forward only to the extent that they can be realized.

m. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

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II. BALANCE SHEET:

		As at 31.12.2009 Rs. in lacs	As at 31.12.2008 Rs. in lacs
1.	a. Issued, subscribed and paid-up share capital: Of the 1,68,22,668, equity shares (previous year 1,68,22,668 shares), 1,68,19,852 shares (previous year 1,68,19,852 shares) were allotted as fully paid up pursuant to contracts without payments being received in cash which includes 1,63,52,636 shares (previous year 1,63,52,636 shares) issued as Bonus Shares. Of the above 1,03,39,980 shares (previous year 1,03,39,980 shares) are held by HM Publishers Holdings Ltd, U.K. the Holding company.		
	b. During the year, 80,000 equity shares at a rate of USD 45 per share based on an independent valuation have been allotted by MPS Content Services Inc. to MPS Limited against the advance subscription money of Rs. 1,767.52 lacs (USD 3,600,000) paid in 2008.		
2.	a. The net worth of MPS Content Services Inc., USA, a subsidiary, has been eroded and its subsidiary MPS Content Services India Private Limited has not carried on operations during 2009 since its principal infrastructure (namely production activities, fixed assets, employees etc) has been transferred to the Company. However, the Company (MPS) has committed to extend continued financial and operational support to MPS Content Services Inc, USA and to MPS Content Services India Private Limited for the foreseeable future. Accordingly both the subsidiaries are considered as going concerns and the investments Rs. 3,320.47 lacs, receivables Rs. 257.28 lacs and advances Rs. 649.14 lacs relating to MPS Content Services Inc, USA are considered good and recoverable.		
	b. The Board of Directors of the Company at their meeting held on December 21, 2009 have approved the proposal for the Company to acquire the shares of MPS Content Services India Private Limited from MPS Content Services Inc, USA, whereby MPS Content Services India Private Limited will become a subsidiary of MPS Limited and cease to be a subsidiary of MPS Content Services Inc, USA.		
	c. Secured Loan: Working Capital Demand Loan/Cash credits amounting to Rs. 349.22 lacs (PY Rs. 307.11 Lacs) availed by MPS Content Services Inc. USA, are secured by a guarantee given by the Holding Company, HM Publishers Holdings Limited.		

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	As at 31.12.2009 Rs. in lacs	As at 31.12.2008 Rs. in lacs
3. In the year 2006 MPS Limited acquired MPS Content Services Inc, USA and its subsidiary MPS Content Services India Private Limited for a consideration of Rs. 1,562.74 lacs. In accordance with the terms of the Share Purchase agreement an amount of Rs.24.22 lacs (equivalent USD 50,000) was retained in the books of MPS Content Services Inc from the consideration payable to the individual promoters as security for any breach of warranties or for any claim against MPS Limited (the purchaser) relating to the labour dispute and the transfer pricing assessments. During the year the final settlement was made to the promoters after reducing an amount of Rs. 9.79 lacs (equivalent of USD 21,002) towards claims relating to the labour dispute of MPS Content Services India Private Limited and an amount of Rs. 0.88 lacs (equivalent of USD 1887) towards advances taken by one of the promoters. Accordingly, this amount of Rs. 9.79 lacs is reduced from the carrying value of investments.		
4. Book debts and inventories of the Company are hypothecated in favour of Standard Chartered Bank for certain sanctioned facilities amounting to Rs. 159 lacs (fund based and non-funded), which were not availed and not renewed after August 2009.		
5. a. Medium Term Loan upto Rs. 600 lacs and Working capital and other fund based and non-fund based facilities of upto Rs. 800 lacs, sanctioned by BNP PARIBAS and approved by the Board in their Meeting held on 27th November, 2009 has not been utilized by the company pending completion of formalities.		
b. Approval of the Board has been obtained for Working capital facilities of Rs. 200 lacs from HSBC and the sanction from the bankers are awaited.		
6. Bank Balances include		
a. With Scheduled Banks on Dividend Account.	**3.08**	3.78
b. Fixed Deposit with Bankers held as margin money for Guarantees issued.	**10.12**	11.22
c. Lien with Excise Authorities.	**6.75**	1.30
d. Corporate guarantee given to Standard Chartered Bank on account of Frank Brothers & Co (Publishers) Limited, a fellow subsidiary.	**580.00**	580.00

7. In the meeting held on 25th February 2009, the remuneration of the Managing Director has been revised effective from 1st February, 2009. The revision has been approved by shareholders at the Annual General Meeting held on 23rd June 2009. An application seeking Central Government's approval has been filed to comply with provisions of Section 309 read with Schedule XIII of the Companies Act, 1956. The approval of the Central Government is awaited.

8. Contingent Liabilities:

a. Disputed Tax Demands:

Name of the Statute	Nature of dues	Rupees in lacs	Period	From where dispute is pending
Income Tax Act 1961	Income Tax Demands [1]	28.45 (PY – 28.45)	2002–03	Commissioner of Income Tax (Appeals) XIV, New Delhi
Income Tax Act 1961	Income Tax Demands[2]	79.84 (PY – Nil)	2006–07	Commissioner of Income Tax (Appeals) XIV, New Delhi
Income Tax Act, 1961	Income Tax Demands	5.21 (PY – Nil)	2005–06	Income Tax Appellate Tribunal, Chennai
Income Tax Act 1961	Income Tax Demands	24.36 (PY – 24.36)	2005–06	Commissioner of Income Tax (Appeals) V, Chennai
Income Tax Act, 1961	Income Tax Demands	147.28 (PY – Nil)	2006–07	Commissioner of Income Tax (Appeals), Chennai
Section 66A of Finance Act	Service Tax demands	227.77 (PY – 227.77)	July 2003 to Dec 2006	Customs and Excise Service Tax Appellate Tribunal, Bengaluru

1. Amount deposited as at December 31, 2009 is Rs. 28.45 lacs (Previous Year – Rs.28.45 lacs). No provision is considered necessary as the Company is hopeful of successful outcome in the appeal.

2. Amount deposited as at December 31, 2009 is Rs. 20.00 lacs (Previous Year – Rs. 20.00 lacs). No provision is considered necessary as the Company is hopeful of successful outcome in the appeal.

b. No provision has been considered for service tax amounting to Rs. 227.77 lacs on overseas commission paid for the period from 1st July, 2003 to 31st December, 2006, as the demands raised by the Authorities for this period is being contested by the company. The service tax for the period from January 2007 to December 2008 together with interest amounts to Rs. 281.15 lacs out of which Rs. 154.46 lacs has been remitted. However, interest on delayed remittance of service tax Rs. 62.70 lacs has been provided for.

c. During the year 1997–98, in case of one of the subsidiaries, the Company had terminated certain employees from services, due to the closure of one of its departments. These employees of the Company had filed a case in the labour court against retrenchment. An amount of Rs. 7.42 lacs (previous year Rs. 7.42 lacs) has been provided for towards the remuneration and compensation payable to such employees, which, in the opinion of the management is adequate.

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9. Employee Benefits:

The Company's obligation towards gratuity is defined benefit plan. The details of actuarial valuation are given below:

	For the Year ended 31.12.2009 Rs. in lacs	For the Year ended 31.12.2008 Rs. in lacs
Defined benefit Plans: Gratuity		
(I) Change in Benefit Obligation		
Liability at the beginning of the year*	**305.98**	773.68
Interest Cost	**21.24**	44.73
Current Service Cost	**42.70**	148.37
Benefit Paid	**(80.84)**	(429.12)
Actuarial (gain)/loss on obligations	**52.92**	(158.48)
Liability at the end of the year	**342.00**	379.18
(II) Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	**265.45**	583.72
Expected Return on Plan Assets	**21.65**	34.96
Contributions	**96.36**	135.59
Benefit Paid	**(80.84)**	(429.12)
Actuarial gain/(loss) on Plan Assets	**24.40**	19.69
Fair value of plan assets at the end of the year	**327.05**	344.83
(III) Actual Return on Plan Assets		
Expected Return on Plan Assets	**21.65**	34.96
Actuarial gain/(loss) on Plan Assets	**24.40**	19.69
Actual Return on Plan Assets	**46.05**	54.65
(IV) Amount Recognised in the Balance Sheet		
Liability at the end of the year	**342.00**	379.18
Fair Value of Plan Assets at the end of the year	**327.02**	344.83
Difference (Funded Status)	**14.98**	34.35
Amount Recognised in the Balance Sheet	**14.98**	34.35
(V) Expenses Recognised in the Income Statement		
Current Service Cost	**42.70**	148.37
Interest Cost	**21.24**	44.73
Expected Return on Plan Assets	**(21.65)**	(34.96)
Net Actuarial (Gain)/loss to be recognised	**28.51**	(178.17)
Expense Recognised in P & L	**70.80**	(20.03)
(VI) Balance Sheet Reconciliation		
Opening Net Liability	**40.53**	189.97
Expense as above	**70.80**	(20.03)
Employers Contribution	**(96.36)**	(135.59)
Amount Recognised in Balance Sheet	**14.97**	34.35
(VII) Actuarial Assumptions : For the year		
Discount Rate Current	**8%**	8%
Salary Escalation Current	**6%**	8%
Rate of Mortality	As per LIC (1994–96) Mortality Table	

The entire Plan Assets are managed by the Life Insurance Corporation of India (LIC). The details with respect to the composition of investments in the fair value of Plan Assets have not been disclosed in the absence of the necessary information.

The above disclosure excludes the figures of one of the subsidiaries and the overseas branch, as it is governed by the laws prevailing in the United States of America.

10. Segment Reporting:

Based on a reconsideration of nature of risks,rewards and other relevant factors, the Exports of Information Processing and E-Business which were hitherto considered as individual reportable segments have been combined in to a single reportable segment namely ' Publishing Services'. Consequently, the figures for the previous year has been recasted to make it comparable with the current year.

		Rs. in lacs	Rs. in lacs			
		As on 31.12.2009	**As on 31.12.2008**			
		Publishing Services	**Publishing**	**Publishing Services**	**Other**	**Total**
1	**Segment Revenue**					
	Net Sales-External	**16,354.43**	5,297.96	17,013.50	–	22,311.46
2	**Segment Result**	**571.62**	1,197.09	749.84		1,946.93
	Unallocated corporate expenses (Net)					
	Operating Profit	**571.62**	1,197.09	749.84		1,946.93
	Interest expense	**(16.22)**			(20.43)	(20.43)
	Interest Income	**9.49**			57.50	57.50
	Income Taxes	**(93.16)**			(731.86)	(731.86)
	Net Profit	**471.73**	1,197.09	749.84	(694.79)	1,252.14
3	**Segment Assets**					
	Segment Asset	**13,546.00**		13,744.63	–	13,744.63
	Unallocated Corporate Assets	**–**	–	–	71.50	71.50
	Total Assets	**13,546.00**				13,816.13
	Segment Liabilities	**5,552.53**		5,410.07		5,410.07
	Unallocated Corporate Liabiliites			–	136.18	136.18
	Total Liabilities	**5,552.53**				5,546.25
4	**Capital Expenditure Addition**	**945.22**	124.32	1,384.57		1,508.89
5	**Depreciation**	**908.46**	70.21	818.63		888.84
6	**Non-cash expenses other than depreciation**	**(124.83)**	25.38	105.27	–	130.65

		As on 31.12.2009 Rs. in lacs	As on 31.12.2008 Rs. in lacs
7	**Secondary Segment Information(Revenue) as per Geographical Market**		
	India	**–**	5,277.56
	Europe	**8,016.80**	8,573.87
	USA	**7,780.34**	6,782.29
	Rest of the World	**557.29**	1,677.74
	Total	**16,354.43**	22,311.46
8	**Carrying amount of Segment Assets**		
	India	**9,374.48**	9,936.70
	Europe	**1,874.81**	1,783.12
	USA	**2,222.11**	2,002.10
	Rest of the World	**74.58**	94.21
	Total	**13,545.98**	13,816.13
9	**Addition to Fixed Assets & Intangible Assets**		
	India	**894.17**	1,508.89
	Other Countries	**51.05**	–
	Total	**945.22**	1,508.89

Notes:

1. Business Segments
   Consequent to the de-merger of the publishing business in 2008, the company operated in only one primary business segment namely "Publishing Services" during 2009. All assets, liabilities, revenue & expenses are related to this segment

   The above segment has been identified taking into account the organisation structure as well as the differing risks and returns of the segment. The above disclosure relating to Business Segments have been provided to present the previous year figures.

2. Geographical Segments
   The company's operations are managed on a worldwide basis from India, although, they operate in four principal geographical areas of the world, namely India, Europe, United States of America and Rest of the world and the revenues are segregated based on the geographical location of the customer.

3. Segmental assets includes all operating assets used by respective segment and consists principally of operating cash, debtors, inventories and fixed assets net of allowances and provisions. Segmental liabilities include all operating liabilities and consist primarily of creditors and accrued liabilities. Segment assets and liabilities do not include income tax assets and liabilities.

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11. Related Party Disclosure (as identified by management and relied upon by auditors):

Information relating to related party transactions for the year ended 31st December 2009.

1. Parties where control exists

1.1 Ultimate Holding Company: Georg Von Holtzbrinck Gmbh & Co KG
1.2 Holding Company: H M Publishers Holdings Ltd.

2. Fellow Subsidiaries with whom the company had transactions during the year.

Macmillan Publishers Limited	Macmillan Academic Inc	Gill & Macmillan Publishers
Macmillan Education Limited	Macmillan Publishers Australia Proprietary Limited	Macmillan Publishers China Ltd.
Kingfisher Publications Limited	Macmillan Hellas (Greece)	Euro script GMBH
HGV Hanseatische Gasellschaft	Macmillan Iberia SAU	Macmillan Publishers India Ltd
Bookworxs Gmbh	Macmillan SA	Frank Brothers & Co (Publishers) Limited
Holtzbrinck-USA	Ediciones Castillo Grupo Macmillan, Mexico	Macmillan Publishers Holdings LLC

3. Key Management personnel Mr. Rajiv K Seth, Managing Director

4. Related party Transactions

a. Sales-Fellow Subsidiaries

	For the Year ended 31.12.2009 (Rs. in lacs)	For the Year ended 31.12.2008 (Rs. in lacs)
Macmillan Publishers Limited	**2,680.00**	3,980.06
Macmillan Education Limited	**119.70**	20.73
Kingfisher Publications Limited	**1.55**	–
HGV Hanseatische Gasellschaft	**35.15**	35.40
Bookworxs Gmbh	**0.68**	3.87
Holtzbrinck-USA	**0.03**	–
Macmillan Publishers Holdings LLC	**430.78**	298.16
Macmillan Academic Inc	**645.70**	447.04
Macmillan Publishers Australia Proprietary Limited	**39.33**	41.62
Macmillan Hellas (Greece)	**10.32**	16.52
Macmillan Iberia SAU	**51.11**	–
Macmillan SA	**1.94**	1.37
Ediciones Castillo Grupo Macmillan, Mexico	**10.76**	26.40
Gill & Macmillan Publishers	**5.84**	4.59
Macmillan Publishers China Ltd.	**1.34**	2.02
Euro script GMBH	**244.53**	–
Total	**4,278.76**	4,877.78

	For the Year ended 31.12.2009 (Rs in Lacs)	For the Year ended 31.12.2008 (Rs in Lacs)
b. Rent and Share of Expenses – Fellow Subsidiary		
Macmillan Publishers Limited	**645.70**	857.12
Macmillan Publishers India Ltd	**6.27**	-
	651.97	857.12
c. Trade mark fee – Holding Company (included under Rates & Taxes under Schedule 16)		
HM Publishers Holdings Limited	**68.02**	-
d. Dividend – Holding Company		
HM Publishers Holdings Limited	-	258.50
e. Remuneration to Key Management Personnel	**116.54**	113.27

	As at 31.12.2009 (Rs. in lacs)	As at 31.12.2008 (Rs. in lacs)
f. Debtors – Fellow Subsidiaries		
Macmillan Publishers Limited	**483.78**	398.62
Macmillan Education Limited	**72.54**	14.58
HGV Hanseatische Gasellschaft	**17.12**	15.29
Holtzbrinck-USA	**3.39**	—
Macmillan Publishers Holdings LLC	**91.24**	33.85
Macmillan Academic Inc	**100.58**	291.78
Macmillan Publishers Australia Proprietary Limited	**10.27**	8.41
Macmillan Greece	**—**	1.75
Macmillan Iberia SAU	**24.93**	—
Macmillan SA	**1.46**	—
Ediciones Castillo Grupo Macmillan, Mexico	**4.16**	10.26
Gill & Macmillan Publishers	**1.12**	2.44
Macmillan Publishers China Ltd	**—**	—
Euro script GMBH	**122.47**	—
Bookworxs Gmbh	**—**	0.68
	933.06	777.66

	As at 31.12.2009 (Rs. in lacs)	As at 31.12.2008 (Rs. in lacs)
g. Creditors		
Holding Company – HM Publishers Holdings Limited	**68.02**	–
Fellow Subsidiaries		
Macmillan Publishers Limited	**1,370.15**	1,873.28
Macmillan, Australia	**–**	1.30
Macmillan Publishers India Limited	**962.05**	952.53
	2,400.22	2,827.11
h. Off-Balance Sheet items:		
Corporate guarantee given to Standard Chartered Bank on account of Frank Brothers & Co (Publishers) Limited	**580.00**	580.00
Corporate guarantee given to Hong Kong Shanghai Banking Corporation for the line of credit availed by MPS Content Services Inc, USA (Formerly ICC Macmillan Inc, USA)	**349.22**	307.11

12. Disclosure requirements under Accounting Standard 19 on 'Leases'

Financial lease comprises lease of vehicles under a Hire purchase scheme. The future cash flows are disclosed below:

Financial lease:

	Rentals Rs. in lacs		Present value Rs. in lacs	
	2009	2008	2009	2008
Rentals payable under Hire purchase agreement				
— Within one year	20.32	—	13.46	—
— Later than one year and not later than five years	68.11	—	57.19	—
	88.43	—	70.65	—
Less: Future finance charges	17.78	—	-	—
	70.65	—	70.65	—

		For the year ended 31.12.2009	For the year ended 31.12.2008
13.	**Earnings per share**		
	Face Value per share	**10.00**	10.00
	Profit after tax (Rs. In lacs)	**471.73**	1,248.33
	Weighted number of shares outstanding during the year	**16,822,668**	16,822,668
	Basic & Diluted Earnings per share (in Rupees)	**2.80**	7.42

		As at 31.12.2009 Rs. in lacs	As at 31.12.2008 Rs. in lacs
14.	**Breakup of Deferred Tax Asset and Deferred Tax Liability arising out of timing differences**		
	a) Deferred Tax Asset		
	Provision for Doubtful Debts	**29.07**	9.04
	Provision for Gratuity and Leave Encashment	**66.77**	111.85
	Carry forward business losses	**35.47**	–
	Others	**13.27**	15.56
	Total	**144.58**	136.45
	b) Deferred Tax Liability		
	Depreciation	**249.71**	272.63
	Net Deferred Tax Liability/(Deffered Tax Asset)	**105.13**	136.18

15. Current tax is determined in respect of taxable income for the calendar year ended December 31, 2009. The ultimate current tax liability will be determined on the basis of taxable income for the year April 01, 2009 to March 31, 2010.

16. Pursuant to the announcement by the Institute of Chartered Accountants of India (ICAI) in respect of 'Accounting for Derivatives' though the Company has opted not to follow the recognition and measurement principles relating to derivatives as specified in Accounting Standard – 30, 'Financial Instruments, Recognition and Measurement', issued by the ICAI for the year ended 31st December 2009, keeping in view the principle of prudence as enunciated in AS 1, *Disclosure of Accounting Policies,* the entity has not provided for Income in respect of all outstanding derivative contracts at the balance sheet date by marking them to market.

The value of forward contracts entered into to hedge the foreign currency risk of firm commitments/highly probable transactions as at 31st December 2009 is USD 11,500,000 & EUR 2,575,000 (Previous year USD 1,200,000, Euro 1,500,000 and GBP 600,000).

The remeasurement of the fair value as at the balance sheet date has resulted in mark to market net gains of Rs. 217.07 lacs (Previous year mark to market losses of Rs.262.10 lacs) relating to undesignated forward contracts. The gains have not been recognised in the profit and loss account as a matter of prudence.

17. The financial statements of 2008 included the operating results of the Publishing Business upto 12th May 2008 which do not form part of the operating results for the current year consequent to the demerger. Hence the figures for the current year are not comparable with those of the previous year. Previous year figures have been regrouped/reclassified wherever necessary.

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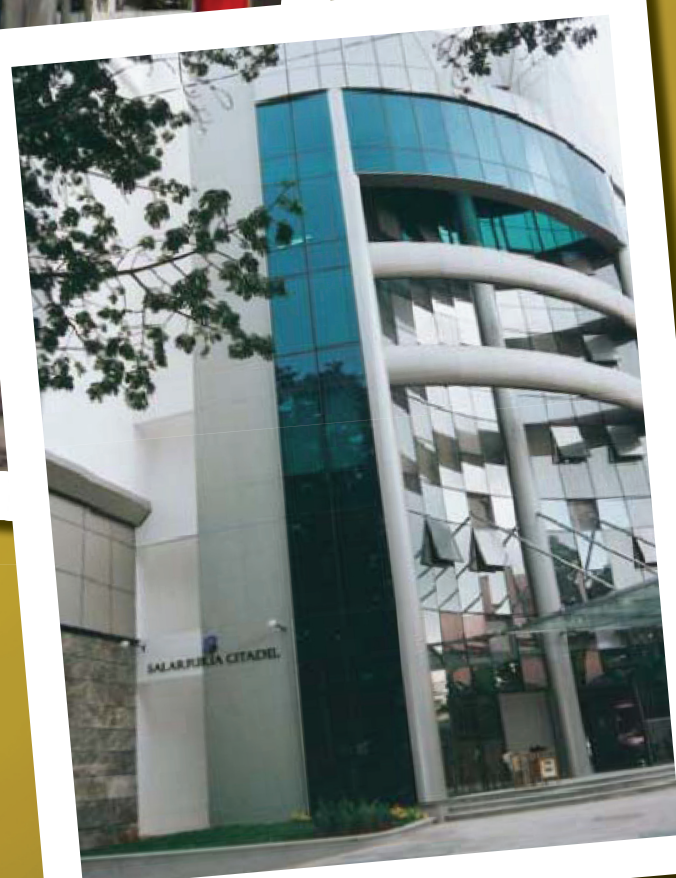
MPS offices

HMG AMBASSADOR, BENGALURU

BRIGADE TOWERS,BENGALURU

MPS offices

MIDFORD CRESCENT, BENGALURU



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MPS A Macmillan Company

MPS offices

MPS LIMITED, NOIDA

MPS LIMITED, NOIDA

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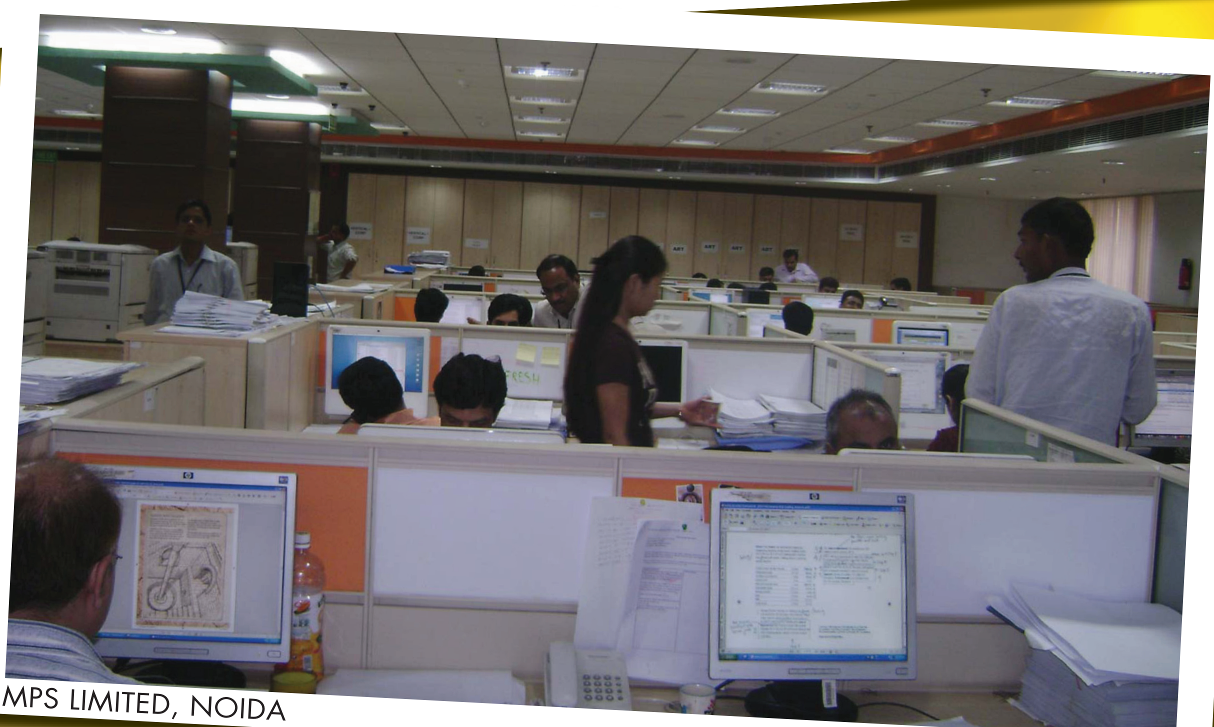
MPS LIMITED, NOIDA

MPS LIMITED, CHENNAI

MPS
offices

MPS LIMITED, CHENNAI



MPS LIMITED, NOIDA

MPS LIMITED, NOIDA

MPS LIMITED, UK

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MPS
A Macmillan Company

Corporate Office
- HMG Ambassador, 137 Residency Road, Bengaluru – 560 025

Registered Office
- 21 Patullos Road, Chennai – 600 002

Journal Typesetting
- HMG Ambassador, 137 Residency Road, Bengaluru – 560 025

Digital Services Unit
- Floor 8, Brigade Towers, 135, Brigade Road, Bengaluru – 560 025
- New No. 69 (Old No. 29), Eldams Road, Teynampet, Chennai – 600 018

Ad Design Unit
- Midford Crescent, 53/1 Richmond Road, Bengaluru – 560 025

Book Typesetting Unit
- New No. 69 (Old No. 29), Eldams Road, Teynampet, Chennai – 600 018
- Midford Crescent, 53/1 Richmond Road, Bengaluru – 560 025
- SDF Building, K-Block, 6 & 7, NSEZ, Noida, Dadri Road, Phase II, Noida, 201 305, UP
- FBI, NSIC Bhawan, Okhla Industrial Estate (Opp. Kalkaji Temple), New Delhi – 110 020

Corporate Software Services
- Floor 3, Salarpuria Citadel, No. 3, Hosur Road, Adugodi, Bengaluru – 560 030

Learning and Multimedia Servises
- New No. 69 (Old No. 29), Eldams Road, Teynampet, Chennai – 600 018

Fulfillment Business
- 865, Udyog Vihar, Phase V, Gurgaon – 122 016

UK Office
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USA Office
- 810 SE Sherman Suite B, Portland, OR 97214, USA
- 234, Cabot Street, Beverly, MA 01915, USA

SUBSIDIARY COMPANIES

MPS Content Services Inc
- Portland, Oregon Office
  810 SE Sherman Suite B, Portland, OR 97214, USA, Tel: 503-221-9911, Fax: 503-221-0956
- Beverly Office
  234, Cabot Street, Beverly, MA 01915, USA

MPS Content Services India Pvt Ltd
- NSIC-STP Complex, 48, Okhla Industrial Estate, New Delhi – 110 020

MPS Technologies Ltd
- DLF Corporate Park, Block 3A, 4th & 5th Floors, Gurgaon – 122 002, Haryana

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