MPS LIMITED

Registered Office. 27 G N Chetty Road, T Nagar, Chennai 600 025

NOTICE is hereby given that the Forty-first Annual General Meeting of the Members of the Company will be held at 3.00 p.m. on Tuesday the 13th day of September 2011 at the Convention Hall (Marigold), GRT Grand, 120, Sir Thyagaraya Road, T. Nagar, Chennai 600017 to transact the following business:

NOTICE TO MEMBERS

1. To consider and adopt the audited Balance Sheet as at 31st December 2010, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Hanson Farries, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint M/s.Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and authorize the Board of Directors to fix their remuneration.
4. To appoint a Director in place of Mr. Ashish Dalal, who was appointed as an Additional Director of the Company under Article 125 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and being eligible, offers himself for re-appointment and in respect of whom a notice in writing has been received at the Registered Office of the Company from a Member signifying his intention to propose Mr. Ashish Dalal as a candidate for the office of Director under Section 257 of the said Act.

By order of the Board,

Place: Mumbai
Date: 13th July 2011
Registered Office:
27, G N Chetty Road, T Nagar
Chennai 600017

Supriya Kumar Guha
Company Secretary

NOTES

1. **A Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a Member of the Company** (Proxy form is enclosed). The proxy form duly completed and signed must be sent as to reach the Company not less than 48 hours before commencement of the Meeting.
2. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 with respect to Item No. 4 of the Notice set out above is annexed hereto.
3. The Register of Members and Share Transfer Books shall remain closed from Tuesday, the 6th September to Tuesday, the 13th September 2011 (both days inclusive).
4. Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the meeting so as to enable the management to keep the information ready.
5. Consequent to the amendment to Section 205A (5) of the Companies Act, 1956 and the introduction of Section 205C of the Companies (Amendment) Act, 1999, all amounts transferred to the Unpaid Dividend Account of the Company for dividend declared upto the financial year ended December 31, 2003 and remaining unpaid or unclaimed for a period of seven years from the date of such transfer has been transferred to the Investor Education and Protection Fund. Members shall not be able to register their claims in respect of their un-encashed Dividend with regard to the above dividend. Members who have not so far claimed their Dividends for the year ended December 31, 2004 and any subsequent year(s) are requested to make a claim to the Company.
6. Shareholders, holding shares in physical form, are requested to notify immediately any change of address and change of bank account details / ECS particulars to the Company’s Registrar and Transfer Agents, viz, Cameo and Corporate Services Limited, Subramanian Building, 1, Club House Road, Chennai-600 002.
7. Beneficial owners holding shares in the dematerialised form are requested to notify any change of address and bank account/ECS particulars to their respective depository participants and make sure that such changes are recorded by them correctly.

8. Members/Proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
9. Members are requested to bring their copies of the Annual Report at the time of attending the meeting.
10. As per the Companies Act, 1956, facility for making nominations is now available to individuals holding shares of the Company. The Nomination Form 2B prescribed by the Central Government can be obtained from the Registrar and Transfer Agents of the Company.
11. The Securities and Exchange Board of India (SEBI) vide circular ref no. MRD/Dop/CIR-05/2007 dated April 27, 2007 made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transaction.
12. In continuation of the said circular, it is hereby clarified that for securities market transactions and off-market/private transactions involving transfer of shares in listed companies in physical form, it shall be mandatory for the transferee(s) to furnish a copy of the PAN card to the Company/RTAs for registration of such transfer of shares.
13. The Ministry of Corporate Affairs (vide Circular nos. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively) has undertaken a "Green Initiative in Corporate Governance" and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering / updating their email addresses, in respect of shares held in dematerialized form with their respective Depository participant and in respect of shares held in physical form with Cameo and Corporate Services Limited.
14. Brief resume of directors including those proposed to be appointed, nature of their expertise in specific functional areas, names of companies in which they held directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter se as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges in India, is provided in the notice below.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

***Item No.* 4**

Mr. Ashish Dalal ("Mr. Dalal") was appointed as an Additional Director of the Company at the meeting of the Board of Directors ("Board") held on 28th October 2010. Mr. Dalal is a Non executive and Independent Director of the Company.

In accordance with Section 260 of the Companies Act, 1956 ("the Act") read with Article 125 of the Articles of Association of the Company, Mr. Dalal will hold office up to the date of the ensuing Annual General Meeting. In terms of Section 257 of the Act, a notice in writing has been received from a Member of the Company signifying his intention to propose Mr. Dalal as a candidate for the office of Director, alongwith a deposit of Rs.500/- (Rupees five hundred only) which amount shall be refunded to the Member, if Mr. Dalal is appointed as a Director.

Mr. Dalal is a Fellow Member of the Institute of Chartered Accountants of India. He was earlier a partner of Price Waterhouse. He has acted as a documentation counsel in matters of corporate Strategic Alliances, Acquisitions and Sell-offs. He also specializes in Business valuations, Strategic Value evaluations, Synergy valuations and valuations of intangibles. Till recently, Mr. Dalal held directorships in Wyeth Limited, Akzo Nobel Chemicals (India) Ltd., ICICI Investment Management Co. Ltd., Financial Technologies (India) Ltd. and Multi Commodity Exchange of India Ltd. The Board is of the opinion that Mr. Dalal's expertise and experience will be beneficial to the Company.

The Board recommends his appointment as a Director of the Company. Approval of the Members of the Company is sought to his appointment.

Mr. Dalal is interested in Item No. 4 of the Notice since it relates to his appointment as a Director.

Requirement under the Listing Agreement

As required under Clause 49 (IV) (G) of the Listing Agreement, the details of the directors who are being appointed as directors are given below.

***Item No.* 2**

Name :	Mr. Hanson Farries
Age:	61 years
Educational Qualifications:	Graduate with Honors Degree in English and Fellow member of Institute of Chartered Accountant of Scotland.

Professional Qualification and standing :	Mr. Hanson Farries (Mr. Farries), a Chartered Accountant, has over forty years of experience in the publishing industry, having worked previously in senior finance positions in the Pearson Group. He has been with Macmillan Group for the last eighteen years.Mr. Farries is currently the group Finance Director of Macmillan Group.

Mr. Farries has been on the Board of the Company from 24th October 2007 and is the member of Audit Committee and Remuneration Committee of MPS Limited and Macmillan Publishers India Limited. He is also a Director in Frank Brothers & Company (Publishers) Limited. He does not hold any Committee memberships in other Indian companies. Other than the above three Indian Companies, he holds Directorships in number of foreign companies.

Mr. Farries does not hold any shares in the Company. He is not related to any Director of the Company.

***Item No.* 4**

Name :	Mr. Ashish Dalal
Age:	56 years
Educational Qualifications:	Fellow Member of the Institute of Chartered Accountants of India
Professional Qualification and standing :	Mr. Dalal was a partner of Dalal & Shah, Chartered Accountants and was also a partner of Price Waterhouse & Co. Kolkata. He has been in professional practice since 1982. Mr. Dalal has been actively practicing the professional practice of Assurance and has also extensively practiced in various fields relating to Mergers, Acquisitions, Strategic Alliances, Business Valuations, Specialized Investigations, Due Diligences, Foreign Collaborations & Joint Ventures and has acted as a domestic counsel for cross border transactions. Other than the Assurance practice, Mr. Dalal specializes in business valuations, Strategic Value evaluations, Synergy valuations and valuations of intangibles. He has also undertaken special purpose reviews for financial institutions with a view to search for data under purview of government sponsored Committee Reports. Currently Mr. Dalal is a retainer as a Corporate Counsel to the Financial Technologies (India) Limited and its about 37 group companies, and he is also a member of the Investment Advisory Committee of IndiaReit Real estate fund of the Piramal Group. Mr. Dalal continues to be retained by Dalal & Shah, a member firm of PricewaterhouseCoopers.

As at 31st December, 2010 Mr. Dalal is a Director of MPS Limited.

Mr. Dalal is the Chairman of Audit Committee and a Member of the Share Transfer and Remuneration Committee of the Company.

He does not hold any Directorships / Committee memberships in other companies. He joined the Board on 28th October 2010.

Mr. Dalal does not hold any shares in the Company. He is not related to any Director of the Company.

By order of the Board

Place: Mumbai
Date: 13th July 2011
Registered Office:
27, G N Chetty Road, T Nagar
Chennai 600017

Supriya Kumar Guha
Company Secretary

MPS Limited

Registered Office: 27 GN Chetty Road, T Nagar, Chennai 600017

ATTENDANCE SLIP
(To be presented at the entrance)

ANNUAL GENERAL MEETING ON 13TH SEPTEMBER 2011 AT 3 PM

Folio No.......................................DP ID No...............................Client ID No...

Name of the Member: ....Signature: ....

Name of the Proxyholder: .... Signature: ....

1. Only Member / Proxyholder can attend the meeting.
2. Member / Proxyholder should bring his / her copy of the Annual Report for reference at the meeting.

MPS Limited

Registered Office: 27 GN Chetty Road, T Nagar, Chennai 600017

PROXY FORM

I/We...of ....

a Member / Member(s) of MPS Limited hereby appoint .... of ....or failing him / her .... on my / our proxy to attend and vote for me / us on my / our behalf at the Forty first Annual General Meeting of the Company to be held on 13th September 2011 at 3.00 p.m. at the Convention Hall (Marigold), GRT Grand, 120, Sir Thyagaraya Road, T. Nagar, Chennai 600017 and at any adjournment thereof.

Folio No.......................................DP ID No...............................Client ID No...

No. of shares held ....

Signed this .... Day of ....2011 Signature ....

This form is to be used ** in favour of / ** against the resolution. Unless otherwise instructed, the Proxy will act as he thinks fit.

** Strike out whichever is not desired.

NOTES:

1. This Proxy must be lodged with the Company at its Registered Office at 27 G N Chetty Road, T Nagar, Chennai 600017, at least 48 hrs. before the meeting.
2. Those Members who have multiple folios with different jointholders may use copies of this Attendance slip / Proxy.

Dematerialise your Physical Shares to Electronic Form

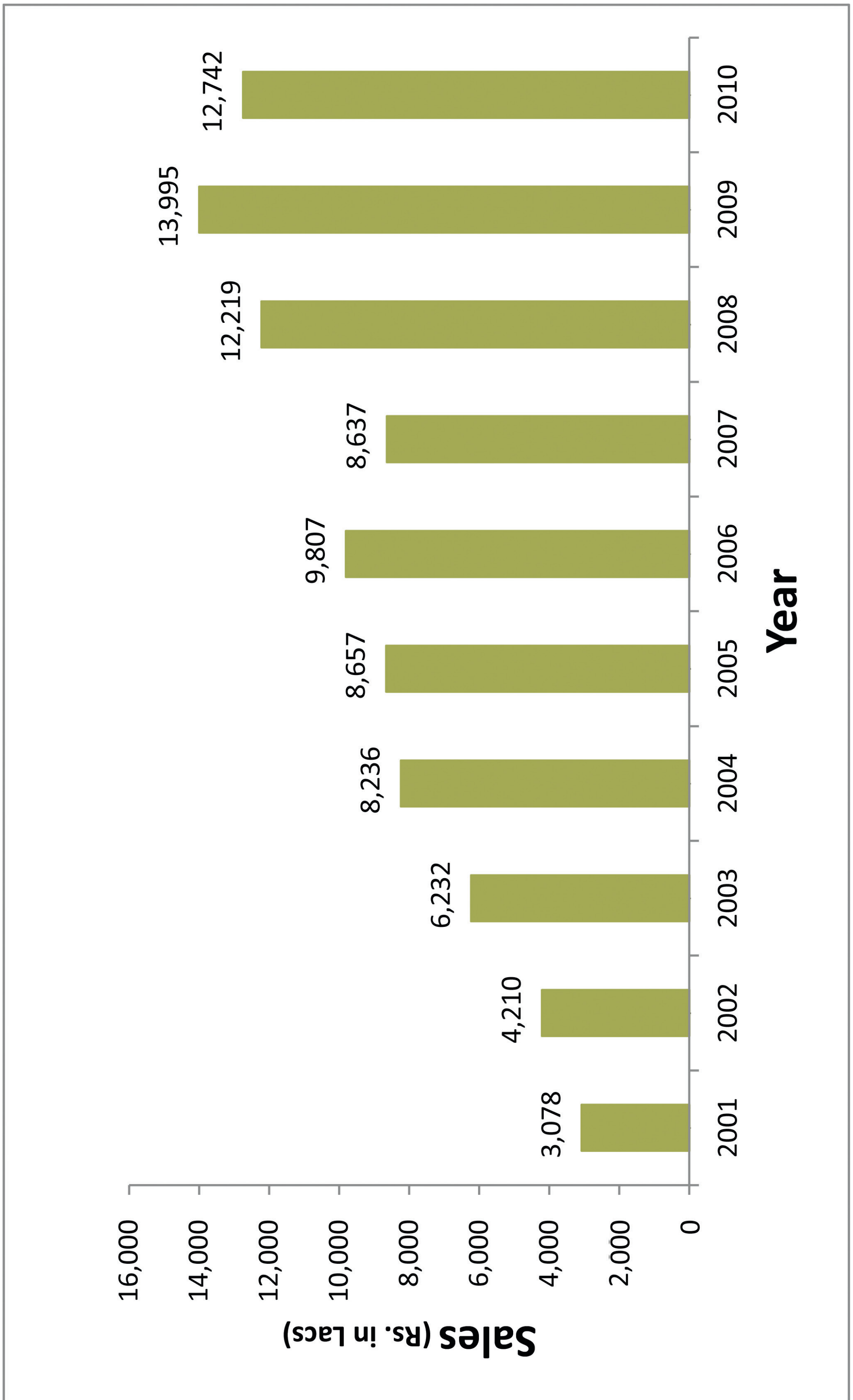
- Eliminate all risks associated with Physical Shares
- Ease in Portfolio Management.

  Contact us (Tel. No.: 044 28460390) for assistance Attention Mr. Narasimhan
  Provide your email id to your DP for sending Annual report by email

- Open Beneficiary Account with a Depository Participant (DP) registered with SEBI.
- Submit Dematerialisation Request Form (DRF) as given by the DP, duly signed by all the holders with the names and signatures in the same order as appearing in the concerned certificate(s).

Board of Directors

Chairman	Mr. Lawrence Jennings
Vice Chairman	Mr. D. E. Udwadia
Director	Mr. W. Hanson Farries
Director	Mr. A. Contractor (upto 12-07-2011)
Director	Mr. Ashish Dalal (from 28-10-2010)
Director	Mr. R. R. Chari (upto 29-07-10)
Managing Director	Mr. Rajiv K. Seth
Chief Financial Officer	Mr. Gautam Mukherjee
Company Secretary	Mr. Supriya Kumar Guha (from 27-07-2010)
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
Registered Office	27 G N Chetty Road, T Nagar, Chennai – 600017
Corporate Office	HMG Ambassador, 137, Residency Road, Bengaluru – 560025
Other Offices	Brigade Towers, 135, Brigade Road, Bengaluru – 560025
	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
	Ground floor, NSIC Bhavan, STP Complex, Okhla Industrial Estate, New Delhi – 110020
Overseas Offices, UK	The Macmillan Building, 4 Crinan Street, London N1 9XW, England, UK
USA	607, North Avenue, Suite 11, Wakefield, MA 01880, USA
	810, SE, Sherman Suite B, Portland, OR 07214, USA
Registrars and Share Transfer Agents	Cameo Corporate Services Limited Subramanian Building, 1, Club House Road, Chennai – 600002


MPS STANDALONE – 10 YEAR SALES TREND
Sales (Rs. in Lacs)
Year
0
2,000
4,000
6,000
8,000
10,000
12,000
14,000
16,000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
3,078
4,210
6,232
8,236
8,657
9,807
8,637
12,219
13,995
12,742

MPS

MPS STANDALONE – KEY FINANCIALS

Rs. In Lacs

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
INCOME										
Sales										
Publishing Services*	3,078	4,210	6,232	8,236	8,657	9,807	8,637	12,219	13,995	12,742
Publishing**	3,840	3,936	3,938	4,330	4,833	4,889	6,103	4,031		-
Total Sales	6,918	8,146	10,170	12,566	13,490	14,696	14,740	16,250	13,995	12,742
Interest	212	200	340	305	292	227	199	44	26	27
Other Income	339	339	238	73	251	285	544	139	251	874
Total Income	7,470	8,685	10,748	12,945	14,034	15,209	15,484	16,433	14,273	13,643
EXPENDITURE										
Expenditure	4,379	5,522	6,831	7,873	9,357	11,180	12,775	13,491	12,772	13,945
Depreciation	353	397	431	435	482	485	571	613	632	667
Total Expenditure	4,732	5,920	7,262	8,308	9,840	11,665	13,347	14,104	13,404	14,612
Profit before Extra-ordinary items	2,737	2,767	3,485	4,636	4,193	3,543	2,137	2,328	868	(969)
Less: Provision for diminuation in value of Investments	23									
Profit before Taxation	2,714	2,767	3,485	4,636	4,193	3,543	2,137	2,328	868	(969)
Provision for Taxation	448	379	380	300	100	40	321	512	156	(88)
Profit After Taxation	2,265	2,386	3,105	4,336	4,093	3,502	1,816	1,816	712	(881)

Note:

(i) Represents key financial of MPS Limited (formerly known as Macmillan India Limited).

(ii) *Publishing Services sales for 2008 also includes the sales of Charon Tec Limited & Macmillan-ICC Publishing Solutions Private Limited, which were merged effective 31st December, 2007 with the Company.

(iii) **Publishing sales for 2008 includes only the portion attributable for the period from 1st January, 2008 till 11th May, 2008 consequent to demerger of the Company.

The Directors present the **Forty First Annual Report** together with the Accounts for the year ended 31st December 2010.

The Profit & Loss Account for the year is as under:

Rs in lakhs

Particulars	Year ended 31.12.2010	Year ended 31.12.2009
Profit / (Loss) for the year after depreciation and taxation	(880.71)	712.65
Surplus brought forward from previous year	8,666.82	8,650.99
	7,786.11	**9,363.64**
Adjustments / Appropriations:		
Proposed Dividend	-	168.23
Corporate Tax on Dividend	-	28.59
Transfer to General Reserve	-	500.00
Surplus carried forward	7,786.11	8,666.82
	7,786.11	**9,363.64**

Dividend

In view of the loss for the year, the Board has not declared any dividend for the year.

Merger of the Subsidiary Companies

A Scheme of Amalgamation (Scheme) of the wholly owned subsidiaries of the Company, namely, MPS Technologies Ltd. and MPS Content Services Inc. and its wholly owned subsidiary MPS Content Services (India) Pvt. Ltd. with the parent company, MPS Limited, with effect from 31st December 2010 (the Appointed Date under the Scheme) was approved by their respective Board of Directors in January 2011. As required under the Listing Agreements between the Company and the Madras Stock Exchange, the Bombay Stock Exchange and the National Stock Exchange, the requisite approvals of the Stock Exchanges to the scheme was obtained. Legal proceedings were thereafter initiated in the High Court at Madras, pursuant to the applicable provisions of the Companies Act, 1956 towards seeking its sanction to the Scheme. The Madras High Court granted dispensation from holding Shareholders' meetings in view of the fact that the amalgamation contemplated by the Scheme was of two wholly owned subsidiaries and one indirect wholly owned subsidiary and directed the Companies, namely MPS Content Services India Private Limited and MPS Technologies Limited (petitioner Companies) to file the Company petitions. The Company petitions were filed and admitted by the Madras High Court and directions were issued to the Official Liquidator to appoint an Auditor to scrutinize the books of accounts of the petitioner Companies and to submit his report. The matter was heard by the Madras High Court on 15th June 2011 and after hearing the Counsel for the Company and the standing Counsel of the Central Government, the Madras High Court was pleased to sanction the Scheme of Amalgamation as submitted to the Madras High Court for merger of the Companies with MPS Limited. Consequent to the same, the Subsidiary Companies financials have been drawn upto 30th December 2010 being one day earlier to the appointed date. Your Company's financials have been drawn on a standalone basis consequent to the above sanction and only the profits / losses of the subsidiary companies have been dealt with in the reserves as per the Scheme sanctioned by the High court.

Extension of time for holding Annual General Meeting

In view of the merger application of MPS Content Services India Private Limited, MPS Technologies Limited and MPS Content Services Inc. before the Honorable Madras High Court, which has now been sanctioned with the appointed date of 31st December 2010, the Company had to place before you the Financials with the profits / losses of the subsidiary companies dealt with in the reserves as per the Scheme sanctioned by the High Court. Since the Honorable Madras High Court sanctioned the Company petitions on merger only on 15th June 2011, the Company sought extension of time for holding the Annual General Meeting from the Registrar of Companies, Tamil Nadu, which was granted upto 30th September 2011.

Progress of the Business

The sales for the year were Rs 127.42 crores as against a figure of Rs 139.95 crores for the corresponding previous year in respect of the Publishing Services business. The Loss After Tax was Rs. 8.81 crores giving an EPS of Rs (5.24) per Rs. 10 share.

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

- Continuing commoditization of the core journals and books services markets coupled with strong competition amidst pricing pressure
- Strengthening of the Indian Rupee versus the US dollar;
- Higher debtors provisioning due to bankruptcy filing by a client in USA

Business Outlook

With the merger of all the subsidiary companies, the Company is now uniquely positioned and is being considered as a complete solutions provider and this has opened up more opportunities to cross-sell services across all publishing verticals and solution types.

The current year has seen an expansion of our client base into new segments. The Company is continuing its partnership with large IT Companies to bid for new clients jointly; we expect such initiatives to grow in the next year. With the availability of better reading devices, the demand for digital and online content has seen a healthy growth. This has forced publishers to change their digital strategies and focus on enhanced learning and new media offerings that are expected to grow significantly next year.

Your 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 is expected to increase our sales focus in bringing in new business.

In addition to the above, the Company had embarked to reduce its costs and close down one of the subsidiary company's offices in USA and also closed down one office space each in Gurgaon and Bengaluru. In addition to the above, the Company is taking further steps to rationalize cost and increase the bottom line.

Detailed analysis, discussion and progress reports are available in the Management Discussion and Analysis Report of the Annual Report.

Awards and Recognition

The Company won the Special Export Award for 2009–10 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. 12,742 lakhs as against Rs 13,995 lakhs for the year ended 31st December, 2009. The outgo of foreign exchange was Rs. 2,131 lakhs as against the previous year outgo of Rs. 1,695 lakhs. Thus the net foreign exchange earned by the Company was Rs. 10,611 lakhs. The details of earnings and outgo are given in the Notes forming part of the Accounts for the period ended 31st December, 2010.

Directors

Mr. R R Chari, Director and Audit Committee Chairman resigned during the year due to advanced age. He was a Director of the Company for over a decade. The Company and the Board benefitted from the wisdom and advice during his tenure as a Director. The Board places on record its appreciation of the tremendous work done by Mr. R R Chari, both as a Director and erstwhile Chairman of Audit Committee. The Board also wishes Mr. R R Chari a very happy retired life.

Mr. Ardeshir Contractor also resigned from the Board of Directors due to personal reasons. The Board places on record the valuable advice and guidance received during his tenure as a Director of the Company.

Following Mr. R R Chari's resignation, the Board appointed Mr. Ashish Dalal as an Additional Director effective from 28th October, 2010 under Section 260 of the Companies Act 1956 read with Article 125 of the Articles of Association of the Company. Mr. Ashish Dalal retires at the ensuing Annual General Meeting and being eligible offers himself for appointment as a Director. Notice has been received from a member signifying his intention to propose Mr. Ashish Dalal as a Director of the Company.

Under Articles 139 to 142 of the Articles of Association of the Company, Mr. Hanson Farries retires by rotation and being eligible, offer himself 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 para 4(e) of the Auditors' Report, it is clarified that the Company has submitted necessary application with the Ministry of Corporate Affairs, New Delhi, with respect to the payment of Bonus for the year 2010 as approved by the Remuneration Committee and the Board of Directors, which is within the overall remuneration approved by the Shareholders at the 39th Annual General Meeting held on 23rd June, 2009. The approval of the Central Government is awaited.

With regard to the Auditor's observation in para 4(f) of their Report on Note no. 5(a) in Schedule 19, the Company has filed appeals with the concerned authorities against the service tax demands and disallowance of service tax refund. Detailed Note no. 5(b) & (c) of Schedule 19 to the accounts is self explanatory.

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, 2010 is annexed to this Report.

Employee Stock Option Scheme (ESOP)

Since the ESOP scheme as approved by the members of the Annual General meeting held on 30th June, 2005 was not implemented, it was withdrawn.

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.

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, to the best of their knowledge, 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. The profit / loss of the subsidiaries have been dealt with in the accounts in pursuance of the Scheme of Amalgamation as sanctioned by the Honorable Madras High Court by its order dated 15th June, 2011.

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, 2010 and the profit of the Company for the financial year ended 31st December, 2010.

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 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

Place: Mumbai
Date: 13th July, 2011

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 with more automation • 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 from the above 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 result	• 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 automization resulting in productivity increase
4. Expenditure on R & D result	• Included in appropriate heads

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief made towards technology absorption, adaptation and innovation.	• Adoption of PCI-DSS standards of security • Implementation of ITIL process framework 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 of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975 (as amended to date) and forming part of Director's Report for the year ended 31st December 2010.

Name	Designation, Nature of Duties	Age	Remuneration (Rs.)	Qualification	Total Working Experience	Date of commencement of employment	Last employment held before joining the company (duration in years)
Patrick Casey	Director of Sales	57	70,63,415	BA	34	22.12.2008	Director of Sales ICC Macmillan (1)
Rajiv Kumar Seth	MD & CEO	58	73,00,214	B.Tech, PGDBM	35	04.09.2007	President, Cyber Media India Limited (3)

Notes:

a. All employments are contractual, other terms and conditions as per Company's rules.

b. Remuneration includes salary, allowances, commission / bonus, medical reimbursement, leave travel assistance, contribution to provident fund, superannuation fund (where applicable) and gratuity funds and other perquisites, which have been evaluated as per the Income Tax rules in force.

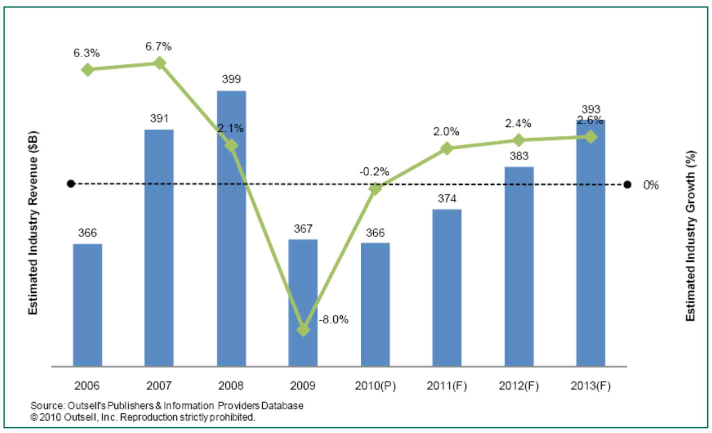
c. None of the employees are related to any Director.

(A) INDUSTRY STRUCTURE AND BUSINESS DEVELOPMENT

(This section of the report draws upon data from reputed market survey agencies like Outsell and industry organizations like IDPF & BISG)

Amidst increasing competition and falling margins the Company has performed better than many of its peer companies. Despite the emergence of other centers offering publishing & related services, and IT services, India remains the favored outsourcing destination of publishers. The company is likely to grow further as all market trends indicate that the quantum of outsourcing is expected to increase in the coming years.

The Information Industry went through a tough two years as it was affected by global recessionary trends. However, it is starting to come out of the recession and Outsell's forecast confirms that the industry is set to grow in the current year.



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Though India is still the top outsourcing destination for publishers, work is shifting to smaller cities and towns due to cost pressures. The worldwide revenue from publishing outsourcing services is estimated at about US$1.5 billion. Out of this, around US $1.1 billion of business is generated in India which is about 80% of all business.

The Philippines is fast emerging as an alternative destination for creative and fulfillment services. Though it is still a smaller player in outsourcing services (Philippines's share of the global business is around US $200 million), most of their revenue comes from call center and creative work. Their call center business is now bigger than India's. It is estimated that outsourcing of creative services for magazine, newspaper and ads will increase at a high growth rate and the major portion of it will be outsourced to Philippines.

The emergence of tablets like Apple's iPad and Samsung's Galaxy Tab and the rising importance of ebooks and applications have created demand for new products and services. MPS has the domain knowledge and technological expertise to meet this demand and it will further drive the growth of the company. As our customers require shorter turnaround times to meet the release dates of ebooks the company has accelerated several production processes by employing a greater level of automation.

As margin pressures continue to increase from large publishers negotiating lower prices, the company has developed efficient processes that optimize costs. At the same time, sales efforts have been strengthened with enhanced sales and marketing support to acquire new clients in new emerging publishing channels and verticals. A sustained campaign for cross-selling of services to existing clients achieved significant success.

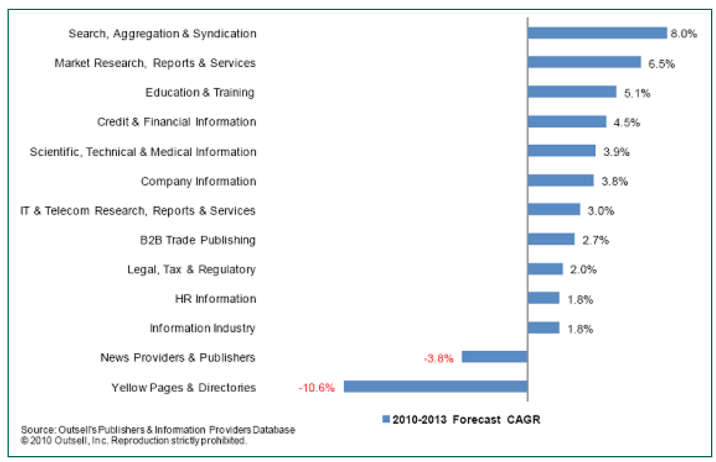
The Company's brand focus and identity with technology came at an opportune time. Publishers are starting to favour technology providers with publishing experience over traditional prepress service providers. MPS's recent sales and marketing campaigns helped the company get a first-mover advantage in new, emerging technologies like EPUB3 and HTML5. Further and ongoing efforts shall solidify MPS's position in the market and will help the company in converting the market movement into new business.

(B) OPPORTUNITIES AND THREATS

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

Opportunities

Outsell's 2010 report on the industry suggests that all of the major sectors that MPS serves will see a growth rate of 2%–5% in the next two years, except for the directory sector, as below.



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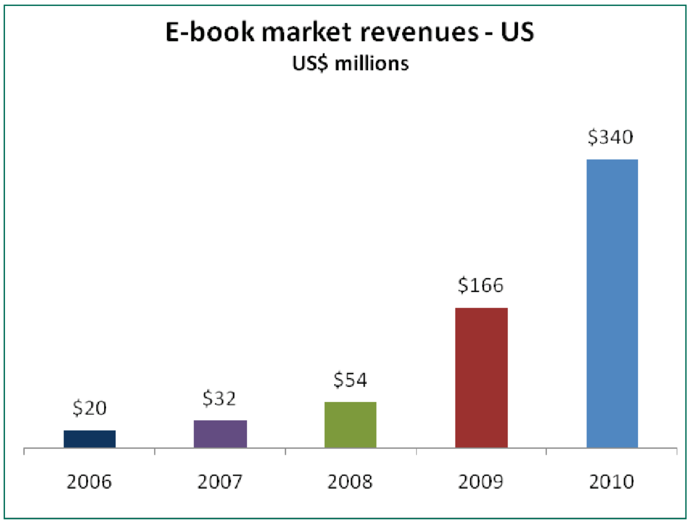
As per a ValueNotes report released in April 2011, 35% of publishers still do not outsource but are more willing in the current economic environment. The growth across industry segments will be enhanced by an increase in outsourcing from such first-time outsourcing publishers.

The negative growth in the Yellow Pages segment is expected as consumers move from print to online and mobile search options for related business information. This will affect our business though we have grown capabilities in online and mobile ad creation services but it will take time to compensate for the loss of print services.

Educational publishers are witnessing more demand for interactive applications for mobiles and tablet computers from their consumers. This has increased the demand for related value-add services from this segment. As the tablet computer industry grows out of infancy it is expected that the choice of device will increase with a fall in their cost. This will fuel further growth and demand in this area.



Source: IDPF – International Digital Publishing Forum

The demand for conversion services has seen strong growth in 2010. As ebooks continue to evolve, publishers need to convert their backlists and frontlists to multiple formats. The release this year of EPUB3 brings a new wave of conversion opportunities. After a successful marketing campaign, MPS has become the leading service provider to be associated with this technology. MPS is helping publishers utilize this technology for selling their content in new markets through various channels. As conversion services have become commoditized, we have increased the level of automation to keep up with the time and cost pressures and also now offer a value-add service in the form of rigorous quality assurance to sustain per page prices.

Demand for aggregation, abstracting and indexing services will see growth from academic publishers as online database access and semantic search continues to increase in importance to them. The demand for metadata services has also increased from publishers in the academic and scientific publishing segment as researchers require more sophisticated search options.

Threats

The Company's operations are completely dependent on the smooth functioning of its hardware and software. Proper IT security systems and procedures have been implemented throughout the company but a virus attack or a rapid change in technology could have an adverse effect on the business. Due to this the company invests heavily in new and updated technology each year.

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.

Upcoming outsourcing destinations like Philippines and changes in consumer preferences pose a threat to specific lines of businesses like ad studio and fulfillment.

(C) RISKS AND CONCERNS

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

- Taxation risk: With the removal of tax holiday for STPI units by the Government of India, the post tax profits of the Company will be materially and adversely affected. The proposed Direct Tax Code is also expected to increase the effective taxation on the profits of the company in relation to the transfer pricing regulations.
- 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 limited which helps to mitigate the risks.
- Currency risk: To a certain extent the currency exchange fluctuation risk 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 risk: Pricing pressure 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.

(D) SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE

The Company currently operates in a single segment of outsourced publishing services (for further details please refer to Note no. 16 of Notes to the Financial Statement – Schedule 19).

Subsidiaries (upto 30th December 2010):

MPS Technologies Limited

MPS Technologies Limited (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 the previous year.

The turnover upto the date of merger i.e. 30th December 2010 was Rs 1,446.79 lakhs and the net profit after tax was Rs 100 lakhs.

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

All on-shore production activities in the US were streamlined under a single subsidiary "MPS Content Services Inc." MPS Content Services Inc. 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.

MPS Content Services Inc posted turnover of Rs 1,872 lakhs as on 30th December 2010 with a loss of Rs 288 lakhs as compared to a net loss of Rs 200 lakhs for 2009.

The Scheme of Amalgamation (Scheme) of the wholly owned subsidiaries of the Company, namely, MPS Technologies Ltd. and MPS Content Services Inc. and its wholly owned subsidiary MPS Content Services (India) Pvt. Ltd. with the parent company, MPS Limited, with effect from 31st December 2010 (the Appointed Date under the Scheme) was approved by their respective Board of Directors in January 2011. The Madras High Court on 15th June 2011, after hearing the Counsel for the Company and the standing Counsel of the Central Government, the Madras High Court sanctioned the Scheme of Amalgamation as submitted to the Madras High Court for merger of the Companies with MPS Limited. Consequent to the same, the Company's financials have been drawn upto 30th December 2010 being one day earlier to the Appointed Date. Hence, the subsidiary data has been given upto 30th December 2010. The profits / losses of the subsidiary companies have been dealt with in the reserves of the Company as per the Scheme sanctioned by the High court.

(E) OUTLOOK

The rapid change in consumer reading preferences has made 'digital' the center of publishing programs. The Company's increased focus on digitization and technological services along with sustained marketing efforts to position ourselves as thought leaders in this domain has ensured that MPS is well-placed to take advantage of the new opportunities offered by these market trends. The Company has also developed capabilities in future technologies like EPUB3 and HTML5 which will drive the publishing industry's growth in the coming years. The industry is coming out of recession and set to post a growth in the coming year. Publishers are more cautious in their buying approach, post-recession, which should benefit larger, well reputed partners like MPS over smaller setups.

(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 SAP, an ERP System which has been extended to all the locations to have adequate internal control. The Company is also in the process of implementing XBRL format for proper reporting as mandated by Ministry of Corporate Affairs.

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 have been made for expansion of the Ad-Composition unit and enhancing automation in the book typesetting business to compensate for Global pricing pressures being faced in the core businesses. Considering these factors the Company's financial performance was negative during the year with an EPS of Rs. (5.24).

(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 2,713 employees as of 31st December, 2010.

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 maximize 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 for 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)			
		Directorships		Committee Memberships	
		As Chairman	As Member	As Chairman	As Member
Lawrence Jennings, Chairman	Non-Executive	1	1	Nil	1
D E Udwadia Vice Chairman	Independent Non-Executive	1	9	2	8
W Hanson Farries	Non-Executive	Nil	3	Nil	2
A Contractor (upto 12th July 2011)	Independent Non-Executive	Nil	2	Nil	2
Ashish Dalal	Independent Non-Executive	Nil	1	1	1
Rajiv K Seth, Managing Director	Executive	Nil	2	Nil	1

Note - Excludes directorships in Private Limited Companies and Foreign Companies.

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 2010 (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	1,70,000	Nil	3,67,500	5,37,500
W Hansan Farries	Nil	Nil	Nil	Nil	Nil	Nil	Nil
A Contractor	Nil	Nil	Nil	1,50,000	Nil	3,15,000	4,65,000
R R Chari	Nil	Nil	Nil	1,10,000	Nil	3,67,500	4,77,500
Rajiv K Seth	Nil	Nil	Nil	Nil	73,00,214	Nil	73,00,214
Ashish Dalal	Nil	Nil	Nil	40,000	Nil	Nil	40,000

*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. 141,967 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 8th July, 2010 in Chennai
	Held	Attended	
Lawrence Jennings	8	4	Yes
D E Udwadia	8	8	Yes
W Hanson Farries	8	2	No
A Contractor	8	8	Yes
Rajiv K Seth	8	7	Yes
R R Chari (resigned w.e.f. 29th July, 2010)	8	5	Yes
Ashish Dalal (Appointed w.e.f. 28th October, 2010)	8	2	Not applicable

Dates of Board Meetings

Date of Board Meeting	Place / City	No. of Directors Present
13th January, 2010	Mumbai	3
3rd March, 2010	Bengaluru	6
30th March, 2010	Mumbai	3
29th April, 2010	Bengaluru	5
8th July, 2010	Chennai	5
29th July, 2010	Bengaluru	4
28th October, 2010	Bengaluru	6
22nd December, 2010	Bengaluru	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 meeting 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. Ashish Dalal. Mr. R R Chari, who was Chairman of Audit Committee resigned his position with effect from 29-07-2010 at the close of the Board Meeting on that day. Mr. D. E. Udwadia was appointed as chairman of Audit committee w.e.f. 28-10-2010.

Dates of Audit Committee Meetings

Date of Audit Committee Meeting	Place / City	No. of Members Present
3rd March, 2010	Bengaluru	5
29th April, 2010	Bengaluru	3
29th July, 2010	Bengaluru	4
28th October, 2010	Bengaluru	4

Attendance Record of the Audit Committee Members

Audit Committee Member	No. of Meetings	
	Held	Attended
Mr. R R Chari, Chairman (upto 29th July, 2010)	4	3
Mr. D E Udwadia, Chairman (w.e.f. 28th October, 2010)	4	4
Mr. Lawrence Jennings	4	2
Mr. A Contractor	4	4
Mr. W Hanson Farries	4	2
Mr. Ashish Dalal (appointed w.e.f. 28th October, 2010)	4	0

The Company Secretary acts as the Secretary to the Committee. The Managing Director, the Chief Financial Officer and the Statutory Auditor were also present in the meetings. The Internal Auditors were also present during their presentation to the Committee.

5. REMUNERATION COMMITTEE

The Remuneration Committee recommends to the Board of Directors the compensation terms of the Executive Director. The Committee consists of Mr. Lawrence Jennings as Chairman, Mr. W. Hanson Farries, Mr. D. E. Udwadia, Mr. Ashish Dalal and Mr. A. Contractor. Mr. R R Chari, a member of the Committee, resigned from the Committee with effect from 29th July, 2010. The Committee met once during the year on 3rd March, 2010. The Company's remuneration policy is aimed at attracting and retaining high caliber talent, taking into account the talent market, the remuneration trend and the competitive requirement of its business. Provision for payment of Bonus to be paid to Executive Director, which is subject to the approval of the Central Government, is based on performance and is disclosed in Note No. 8C relating to Profit and Loss Account for the year. The service period for Mr. Rajiv K Seth is from 1st February, 2009 to 31st January, 2012.

6. SHAREHOLDERS GRIEVANCE COMMITTEE

The Shareholders Grievance Committee consists of Mr. Ashish Dalal as Chairman and Mr. Rajiv K Seth as member. Mr. R R Chari, Chairman resigned as a member on 29th July 2010. The Company Secretary acts as Secretary to the Committee and was also appointed as Compliance officer. All complaints received from members during the year were fully resolved and there are no pending share transfers.

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 personal of the company in enclosed and forms part of this report.

8. SHAREHOLDER INFORMATION

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

Year	Date and Time of Meeting	Venue	Special Resolutions approved
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.
2009	Thursday, 8th July, 2010, at 3.30 pm	Sheraton Park Hotel & Towers, 132 T.T.K. Road, Chennai – 600018	Alteration of Articles of Association relating to appointment and remuneration of Managing Director (s)

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

Year	Date and Time of Meeting	Venue	Special Resolution approval
2008	Friday 2nd August, 2008, at 3:30 p.m	Hotel Palmgrove No. 5, Kadambakkam 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 resolution 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 resolutions was carried with an overwhelming majority.

Financial Calendar

– Reporting for the quarter ending March 31, 2011	End April 2011
– Reporting for the half year ending June 30, 2011	By Mid August 2011
– Reporting for the quarter ending September 30, 2011	By Mid November 2011
– Reporting for the year ending December 31, 2011	By Mid February 2012
– AGM for the year ending December 31, 2011	June 2012

The Quarterly results are published in News Today, and in the Tamil daily, Maalai Sudar.

Dividend Payment Date

The Company has not declared any dividend for the year 2010.

Registered Office

27, G N Chetty Road, T Nagar, Chennai 600017

Website address

www.macmillanpublishingsolutions.com

Listing on Stock Exchange at

Madras Stock Echange Ltd.
Exchange Building, Post Box No. 183, 11, Second Line Beach, Chennai 600001.

National Stock Exchange of India Ltd.
Scrip code – MPSLtd, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051

Bombay Stock Exchange Ltd.
Scrip Code 532440, PJ Towers, Dalal Street, Mumbai 400001

Dematerialization of shares and liquidity

The shares of the Company are Compulsory traded in dematerialized 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, 2010, a total of 1,52,37,912 shares of the Company which forms 90.58% of the Share Capital, stood dematerialized.

Members Information

Members holding shares in the Electronic form are required to address their correspondence, except those relating to dividend, to their respective Depository Participants. There are no pending cases relating to disputes over title shares in which the Company has been made a party.

STOCK MARKET DATA

National Stock Exchange (NSE)

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume No.
Jan 2010	80.00	58.00	61.50	2365393
Feb 2010	68.50	57.15	63.25	927573
Mar 2010	68.90	60.10	64.75	587041
Apr 2010	78.50	62.70	67.40	1694805
May 2010	69.00	50.10	55.50	407197
Jun 2010	62.75	52.00	60.30	280170
Jul 2010	66.70	57.10	57.45	316489
Aug 2010	63.90	55.20	55.90	401587
Sep 2010	62.65	54.20	54.55	376084
Oct 2010	59.50	53.90	54.15	244008
Nov 2010	57.40	43.60	45.75	176365
Dec 2010	52.00	41.00	45.15	151779

Bombay Stock Exchange (BSE)

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume No.
Jan 2010	80.00	57.05	61.40	20,50,979
Feb 2010	68.40	57.15	63.45	8,00,557
Mar 2010	68.00	60.25	64.65	4,86,240
Apr 2010	78.30	64.60	67.25	16,97,542
May 2010	68.90	52.00	55.60	4,84,108
Jun 2010	62.80	52.50	60.40	3,11,139
Jul 2010	66.15	57.30	57.60	5,11,014
Aug 2010	63.95	55.35	55.80	4,32,204
Sep 2010	66.25	51.50	54.65	4,52,853
Oct 2010	59.00	54.00	54.05	2,37,365
Nov 2010	58.50	43.80	45.85	2,28,200
Dec 2010	40.50	40.50	45.55	2,21,388

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 Exchange 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 Phone no. 044 – 28460390 Contact person: Mr. Narasimhan
Compliance Officer	**Supriya Kumar Guha** Vice President & Company Secretary 137 Residency Road, Bengaluru 560025 E-mail: sk.guha@macmillansolutions.com Phone 080 41784025; Fax no. 41784222 **K. Ramachandran** Senior Manager Compliance 137 Residency Road, Bengaluru 560025 E-mail: k.ramachandran@macmillansolutions.com Phone 080 41784026; Fax no. 41784222

Per Share Data

Year	31.12.2010	31.12.2009	31.12.2008	31.12.2007	31.12.2006
Net Earnings (Rs. Lacs)	(880.71)	712.65	1816.09	1816.46	3502.80
EPS (Rs.)	(5.24)	4.24	10.80	10.80	20.82
Dividend per Share (Rs.)	Nil	1.00	Nil	2.50	8.00
Dividend Payout (%)	Nil	10%	Nil	25%	80%
Book Value per Share (Rs.)	39.98	64.49	61.42	125.79	117.92
Price to Earnings	(8.62)	15.61	5.31	21.77	16.39
Price to Book Value	1.13	1.03	0.93	1.87	2.89

Note: Book Value per share starting from period ending 31-12-2008 reflects 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	7,191	84.55	93,59,620	5.56
5,001	10,000	632	7.43	52,18,820	3.10
10,001	50,000	545	6.41	121,26,080	7.21
50,001	1,00,000	72	0.85	53,96,680	3.21
1,00,001	And Above	65	0.76	13,61,25,480	80.92
	Total	**8505**	**100.00**	**16,82,26,680**	**100.00**

Shareholding Pattern as on 31st December 2010

Category	No. of Shares	% to Share Capital
Promoters	1,03,39,980	61.46
Resident Individuals	38,60,754	22.95
Corporate Bodies	764,996	4.55
Non-Resident Indians	220,952	1.31
FIIs & OCBs	50,000	0.30
Trust / Others	15,85,986	9.43
Total	**1,68,22,668**	**100.00**

PUBLISHING SERVICES LOCATIONS

Chennai Book Composing Unit	69 Eldams Road, Teynampet, Chennai 600018
Chennai Journals Unit, Learing & New Media Services Unit, Chennai Digital Service Unit, Chennai Ad-Studio Unit and Registered Office	27, G. N. Chetty Road, T.Nagar, Chennai 600017
Bengaluru Journals Unit and Corporate Office	HMG Ambassador, 137, Residency Road, Bengaluru 560025
Fulfillment Services Unit and Technology Unit	865, Udyog Vihar, Phase V, Gurgaon 122016
Bengaluru Digital Services Unit	Brigade Towers, 135, Brigade Road, Bengaluru 560025
Bengaluru Ad-Studio Unit	Midford Cresent, 53/1, Richmond Road, Bengaluru 560025
Delhi Book Composing Unit	Ground floor, NSIC Bhavan, STP Complex, Okhla Industrial Estate, New Delhi 110020
Noida Book Composing Unit	SDF K Block nos 6 & 7, NSEZ, Noida Dadri Road, Phase II, Noida 201305

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 here to.

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

For and on behalf of the Board

Place: Mumbai
Date: 13th July 2011

Lawrence Jennings
Chairman

AUDITORS' REPORT ON CORPORATE GOVERNANCE TO THE MEMBERS OF MPS LIMITED

We have examined the compliance of conditions of corporate governance by MPS Limited, ("Company") for the year ended on 31st December, 2010, 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, 2010, 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: Mumbai
Date: 13th July 2011

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 personnel 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 2010, as envisaged in Clause 49(I) (D) (ii) of the Listing Agreement.

Place: Mumbai
Date: 13th July 2011

Rajiv K Seth
Managing Director

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, 2010 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

Place: Mumbai
Date: 13th July 2011

AUDITORS' REPORT TO THE MEMBERS OF MPS LIMITED

1. We have audited the attached Balance Sheet of **MPS LIMITED** ("the Company") as at 31st December, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both 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.

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

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) 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.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

   (a) 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;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) *We refer to Note No III (8c) of Schedule 19, regarding the provision for bonus amounting to Rs.13 lacs to the Managing Director of the Company for the year ended 31st December, 2010, which is subject to approval of the Central Government to comply with Section 309 read with Schedule XIII of the Companies Act, 1956.*

   (f) Without qualifying our opinion, we draw attention to:

   (i) Note No II (5b) of Schedule 19 regarding the non-provision of service tax demand, against which the Company has filed an appeal with the concerned authorities.

   (ii) Note No II (5c) of Schedule 19 regarding the disallowance of service tax claimed by the Company against which an appeal has been filed with the respective authorities.

   (g) *Except for matters referred to in paragraphs (e) above, and read together with matters referred in paragraph (f) above,* in our opinion 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:

   (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2010;

   (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date and

   (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on 31st December, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st December, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 008072S)

Bhavani Balasubramanian
Partner
(Membership No. 22156)

Place: Mumbai
Date: 13th July, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's business/activities/result, clauses 4(vi), 4(viii), 4(x), 4(xii), 4(xiii), 4(xiv), 4(xv), 4(xvi), 4(xviii), 4(xix), 4(xx) of CARO are not applicable.

(ii) In respect of its fixed assets:

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

(b) Most of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation 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.

(iii) The Company is engaged in the business of providing typesetting and data digitisation and the inventories given 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 record of its incomplete jobs.

(iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for the rendering of services. During the course of our audit, we have not observed any major weakness in such internal control system. The activities of the Company do not involve purchase of inventory and sale of goods.

(vi) 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 in Section 301 that needed to be entered in 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.

(vii) In our opinion, the internal audit function carried out during the year by a Company, appointed by the management, has been commensurate with the size of the Company and the nature of its business.

(viii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, VAT, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues applicable to it with the appropriate authorities, 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 other material statutory dues in arrears as at 31st December, 2010 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, VAT, Wealth Tax, Service Tax, Cess which have not been deposited as on 31st December, 2010 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in Lacs)
Income Tax Act, 1961	Income Tax demands of erstwhile subsidiary	Income Tax Appellate Tribunal, Chennai	Asst Year 2003-04	5.21
Income Tax Act, 1961	Income Tax demands	Deputy Commissioner of Income Tax, Chennai	Asst Year 2007-08	529.81
Income Tax Act, 1961	Income Tax demands	Deputy Commissioner of Income Tax, Chennai	Asst Year 2007-08	73.70
Income Tax Act, 1961	Income Tax demands of erstwhile subsidiary	Commissioner of Income Tax (Appeals), Chennai	Asst Year 2003-04	1.56
Section 66A of Finance Act	Service Tax demands	Customs and Excise Service Tax Appellate Tribunal, Bengaluru	July,03 to Dec,06	227.77
Section 66A of Finance Act	Service Tax demands	Customs and Excise Service Tax Appellate Tribunal, Bengaluru	January,07 to September,07	39.54
Section 66A of Finance Act	Service Tax demands	Customs and Excise Service Tax Appellate Tribunal, Bengaluru	August,07 to September,07	5.29
Section 66A of Finance Act	Service Tax demands	Customs and Excise Service Tax Appellate Tribunal, Bengaluru	October,07 to September,08	99.99
Section 66A of Finance Act	Service Tax demands	Customs and Excise Service Tax Appellate Tribunal, Bengaluru	October,07 to December,07	9.66

(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

(x) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.

(xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 008072S)

Bhavani Balasubramanian
Partner
(Membership No. 22156)

Place: Mumbai
Date: 13th July, 2011

MPS Limited

BALANCE SHEET AS AT DECEMBER 31, 2010

	Schedule No.	As at 31-Dec-2010 Rs. in Lacs		As at 31-Dec-2009 Rs. in Lacs	
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
Share Capital	1	1,682.27		1,682.27	
Reserves & Surplus	2	5,043.47		9,166.82	
			6,725.74		10,849.09
2. Loan Funds					
Secured Loan	3		1,086.32		70.65
3. Deferred Tax Liability (Net)			17.63		105.13
(Note No. II (20) of Schedule 19)					
			7,829.69		**11,024.87**
II. APPLICATION OF FUNDS					
1. Fixed Assets	4				
Gross Block		8,714.67		6,484.98	
Depreciation/Amortisation		5,149.78		3,476.91	
Net Block		**3,564.89**		**3,008.07**	
Capital Work in Progress		137.54		80.21	
(including capital advances)			3,702.43		3,088.28
2. Investment	5		-		4,320.47
3. Current Assets, Loans and Advances					
Inventories	6	1,124.66		1,221.97	
Sundry Debtors	7	2,872.75		3,391.17	
Cash and Bank Balances	8	2,573.85		1,498.00	
Loans and Advances	9	2,306.82		2,591.47	
Total Current Assets		**8,878.08**		**8,702.61**	
Less: Current Liabilities	10	4,698.78		4,726.43	
Provisions	11	52.04		360.06	
Total Current Liabilities & Provisions		**4,750.82**		**5,086.49**	
Net Current Assets			4,127.26		3,616.12
			7,829.69		**11,024.87**

Notes to the Accounts 19

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

LAWRENCE JENNINGS
Chairman

RAJIV K SETH
Managing Director

SUPRIYA KUMAR GUHA
Secretary

Place: Mumbai
Date: 13th July 2011

MPS Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2010

	Schedule No.	For the Year Ended 31-Dec-2010 Rs. in Lacs		For the Year Ended 31-Dec-2009 Rs. in Lacs	
INCOME					
Service Income		12,856.38		14,056.93	
Less: Discounts		114.11	12,742.27	61.55	13,995.38
Interest Income	12		26.63		26.66
Other Income	13		874.11		251.76
			13,643.01		**14,273.80**
EXPENDITURE					
Decrease / (Increase) in Work in Process	14	97.31		(85.91)	
Direct Cost / Raw Materials Consumed	15	1,350.57		1,342.74	
Staff Costs	16	8,422.60		7,730.48	
Other Expenditure	17	4,040.37		3,782.03	
Interest Expense	18	33.79		2.87	
Depreciation/Amortisation		667.43	14,612.07	632.62	13,404.83
(Loss) / Profit before Taxation			**(969.06)**		**868.97**
Provision for Taxation					
Current Tax		4.45		351.33	
Deferred Tax		(87.50)		36.52	
MAT Credit Entitlement		-		(269.00)	
Fringe Benefit Tax		(5.30)		37.47	
			(88.35)		156.32
(Loss) / Profit after Taxation			**(880.71)**		**712.65**
Brought forward from previous year			8,666.82		8,650.99
Profit available for appropriations			7,786.11		9,363.64
Appropriations:					
Transfer to General Reserve			-		500.00
Dividend on Equity Shares					
– Proposed Dividend			-		168.23
– Corporate Tax thereon			-		28.59
Surplus carried to Balance Sheet			**7,786.11**		**8,666.82**

Notes to the Accounts	19		
Basic and diluted earnings per share (Face value Rs. 10)		(5.24)	4.24

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

BHAVANI BALASUBRAMANIAN	**LAWRENCE JENNINGS**	**RAJIV K SETH**	**SUPRIYA KUMAR GUHA**
Partner	Chairman	Managing Director	Secretary

Place: Mumbai
Date: 13th July 2011

MPS Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2010

Description	For the Year Ended 31-Dec-2010 Rs. in Lacs		For the Year Ended 31-Dec-2009 Rs. in Lacs	
A. Cash Flow from Operating Activities :				
Net (Loss) / Profit before Taxation		(969.06)		868.97
Adjustments for:				
Depreciation / Amortisation	667.43		632.62	
Interest and Finance Charges	33.79		2.87	
Profit on Sale of Fixed Assets - net	(0.54)		(1.70)	
Fixed Asset Written off	0.23		52.72	
Compensated Absences	60.16		(124.68)	
Unrealised Exchange Gain - net	(197.60)		(89.34)	
Interest Received	(26.63)		(26.66)	
Provisions for:				
Doubtful Debts	70.23		58.84	
Bad Debts / Advances Written off	70.92		12.89	
Amounts written back:				
Excess provision for:				
– Commission to Non-Executive Directors & Other Expenses	-		(0.86)	
– Unclaimed Credit Balances	(174.30)		(44.61)	
		503.69		472.09
Operating (Loss) / Profit before working capital changes		(465.37)		1,341.06
Adjustments for:				
Decrease / (Increase) in Trade and Other Receivables	572.07		(754.23)	
Decrease / (Increase) in Inventories	97.31		(85.91)	
(Decrease) / Increase in Trade and Other Payables	(55.39)		979.18	
		613.99		139.04
Cash Generated from Operations		148.62		1,480.10
Direct Taxes - Refund / (Paid) - Net		123.57		(70.39)
Net Cash Generated from Operating Activities (A)		**272.19**		**1,409.71**
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(919.00)		(858.88)	
Proceeds from Sale of Fixed Assets	14.65		13.33	
Investment in Deposits on Lien	0.45		(3.45)	
Interest Received	19.94		6.47	
Purchase of Division from a Subsidiary	-		(110.63)	
Net Cash used in Investing Activities (B)		**(883.96)**		**(953.16)**

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2010 *(continued)*

Description	For the Year Ended 31-Dec-2010 Rs. In Lacs		For the Year Ended 31-Dec-2009 Rs. In Lacs	
C. Cash flow from Financing Activities :				
Interest Paid	(35.40)		(2.87)	
Advances from Subsidiary	-		400.00	
Loan Repayment from Subsidiary	-		50.00	
Proceeds from Short Term Bank Borrowings (Net)	600.00		-	
Proceeds from Bank on Finance Lease (Net)	39.48		70.65	
Loan Repayment / (Given) from / (To) Subsidiary	85.88		(144.16)	
Dividend Paid (Includes dividend tax & unclaimed dividends)	(197.27)		(0.70)	
Net Cash Generated from Financing Activities (C)		**492.69**		**372.92**
Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)		**(119.08)**		**829.47**
Cash and Cash Equivalents at the beginning of the year	1,483.87		783.68	
Unrealised Exchange (Gain) / Loss on Bank Balances	(115.99)		129.28	
Cash and Cash Equivalents at the end of the year	**1,480.78**	**(119.08)**	**1,483.87**	**829.47**
Cash and Cash Equivalents as per Cash Flow Statement		**1,480.78**		**1,483.87**
Restricted Balances in Deposit Accounts		**13.68**		**14.13**
Cash Balances added upon Amalgamation		**1,075.07**		**–**
Restricted Balances added upon Amalgamation		**4.32**		**–**
Cash and Cash Equivalents as per Balance Sheet		**2,573.85**		**1,498.00**

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

LAWRENCE JENNINGS
Chairman

RAJIV K SETH
Managing Director

SUPRIYA KUMAR GUHA
Secretary

Place: Mumbai
Date: 13th July, 2011

SCHEDULES TO THE ACCOUNTS

	As at 31-Dec-2010 Rs. in Lacs		As at 31-Dec-2009 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) of Schedule 19)		**1,682.27**		**1,682.27**
2. RESERVES AND SURPLUS				
General Reserve:				
As per last Balance Sheet		500.00		-
Add: Transfer from Profit & Loss account		-		500.00
		500.00		500.00
Less: Adjustment made on Amalgamation (Refer Note I of Schedule 19)		(500.00)		-
		-		500.00
Surplus shown in Profit & Loss account		7,786.11		8,666.82
Less: Debit Balance (Net) in Profit and loss account of erstwhile subsidiaries as on 31st December 2010 (Refer Note I of Schedule 19)		(1,916.06)		-
		5,870.05		**9,166.82**
Less: Adjustment made on Amalgamation (Refer Note I of Schedule 19)		826.58		-
		5,043.47		**9,166.82**
3. LOAN FUNDS				
Secured Loan				
Working Capital Loan from Bank (Refer Note No. II (2b) of Schedule 19)	600.00		-	
Added on Amalgamation (Refer Note I and II (2a) of Schedule 19)	371.66		-	
		971.66		-
Finance Lease obligations (Secured on assets taken under Finance Lease (Refer Note No. II (18) of Schedule 19))	110.13		70.65	
Added on Amalgamation (Refer Note I of Schedule 19)	4.53	114.66	-	70.65
		1,086.32		**70.65**

4. FIXED ASSETS (Rs. In Lacs)

	COST					DEPRECIATION / AMORTISATION					NET BOOK VALUE	
Description	**As at 01.01.2010**	**Additions**	**Deletions**	**Added on Amalga-mation**	**As at 31.12.2010**	**As at 01.01.2010**	**Deletions**	**For the year**	**Added on Amalgamation**	**As at 31.12.2010**	**As at 31.12.2010**	**As at 31.12.2009**
Land*	405.05	-	-	-	405.05	-	-	-	-	-	405.05	405.05
Buildings*	1,430.41	-	-	-	1,430.41	608.57	-	41.09	-	649.66	780.75	821.84
Plant & Machinery**	2,768.74	292.44	46.97	647.59	3,661.80	1,994.51	39.83	288.61	525.51	2,768.80	893.00	774.23
Furniture & Fixtures	1,003.18	27.37	2.32	50.06	1,078.29	590.59	1.41	77.97	25.23	692.38	385.91	412.59
Vehicles***	233.85	68.88	22.92	5.91	285.72	103.82	16.63	42.12	0.70	130.01	155.71	130.03
Lease Hold Improvements	117.92	3.50	-	66.57	187.99	33.90	-	20.75	41.36	96.01	91.98	84.02
Intangibles - Software	525.83	469.48	-	670.10	1,665.41	145.52	-	196.89	470.51	812.92	852.49	380.31
TOTAL	**6,484.98**	**861.67**	**72.21**	**1,440.23**	**8,714.67**	**3,476.91**	**57.87**	**667.43**	**1,063.31**	**5,149.78**	**3,564.89**	**3,008.07**
Previous Year	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
Capital Work in Progress											137.54	80.21
TOTAL											**3,702.43**	**3,088.28**

* Land and Buildings includes property at HMG Ambassador at a cost of Rs. 400 Lacs and Rs. 1,213 Lacs respectivey. 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 31.12.2010 include assets costing Rs. 792.28 Lacs (PY - Rs. 1.81 Lacs) which are located outisde India.

*** Includes vehicles acquired during the year under Hire Purchase agreement costing Rs. 68.88 Lacs (PY - Rs. 87.39 Lacs). WDV of such assets as at 31-12-2010 - Rs. 116.99 Lacs (PY - Rs. 77.66 Lacs)

5. INVESTMENTS – LONG-TERM

	No. of Shares/Units	Face Value	As at 31.12.2010 Rs. in Lacs	No. of Shares/Units	Face Value	As at 31.12.2009 Rs. in Lacs
(1) Fully Paid Equity Shares (Trade) in Subsidiary Companies - Unquoted						
MPS Technologies Ltd. *	-	-	-	10,000,000	10.00	1,000.00
MPS Content Services Inc. USA. *	-	-	-	90,527	$1	3,320.47
TOTAL UNQUOTED INVESTMENTS			-			**4,320.47**

* Extinguished on Amalgamation of the Companies with MPS Limited. (Refer Note I of Schedule 19)

SCHEDULES TO THE ACCOUNTS

	AS AT 31-Dec-2010 Rs. in Lacs		AS AT 31-Dec-2009 Rs. in Lacs	
6. INVENTORIES				
Work in Process		1,124.66		1,221.97
		1,124.66		**1,221.97**
7. SUNDRY DEBTORS - UNSECURED				
Debts outstanding for a period exceeding six months:				
Considered Good	28.47		473.06	
Added on Amalgamation (Refer Note I of Schedule 19)	65.95		-	
Considered Doubtful	91.61		85.54	
		186.03		558.60
Other debts:				
Considered Good	2,448.40		2,918.11	
Added on Amalgamation (Refer Note I of Schedule 19)	329.93		-	
Considered Doubtful	64.16	2,842.49	-	2,918.11
		3,028.52		3,476.71
Less: Provision for Doubtful Debts		155.77		85.54
		2,872.75		**3,391.17**
8. CASH AND BANK BALANCES				
Cash (includes cheques on hand Rs. Nil (Previous year - Rs. 0.21 Lacs)		0.58		1.38
Bank Balances (Note No. II (4) of Schedule 19):				
With Scheduled Bank in:				
Current Accounts	1,345.30		1,130.99	
Added on Amalgamation (Refer Note I of Schedule 19)	1,073.57	2,418.87	-	1,130.99
Deposits Accounts	148.58		365.63	
Added on Amalgamation (Refer Note I of Schedule 19)	5.82	154.40	-	365.63
		2,573.85		**1,498.00**

SCHEDULES TO THE ACCOUNTS

	As at 31-Dec-2010 Rs. in Lacs		As at 31-Dec-2009 Rs. in Lacs	
9. LOANS AND ADVANCES				
(Unsecured and Considered Good)				
Loan to Subsidiary Companies:				
– MPS Content Services Inc., USA *	-		764.66	764.66
– MPS Technologies Ltd. *	-			
Advances recoverable in cash or in kind				
or for value to be received, considered good	1,660.97		1,422.18	
Added on Amalgamation (Refer Note I of Schedule 19)	160.46	1,821.43	-	1,422.18
Interest Accrued on Deposits	0.66		2.30	
Added on Amalgamation (Refer Note I of Schedule 19)	0.23	0.89	-	2.30
Advance payment of Income Tax (Net of Provision)	27.67		133.33	
Added on Amalgamation (Refer Note I of Schedule 19)	40.15	67.82	-	133.33
MAT Credit Entitlement	269.00		269.00	
Added on Amalgamation (Refer Note I of Schedule 19)	147.68	416.68	-	269.00
		2,306.82		**2,591.47**
10. CURRENT LIABILITIES				
Sundry Creditors:				
Micro Enterprises and Small Enterprises (Refer Note II (7) of Schedule 19)		-		
Other than Micro Enterprises and Small Enterprises	2,454.68		1,454.62	
Added on Amalgamation (Refer Note I of Schedule 19)	118.74	2,573.42	-	1,454.62
Payable to Subsidiary Companies:				
MPS Technologies Ltd. *		-		121.83
MPS Content Services India Pvt Ltd. *		-		176.12
MPS Content Services Inc., USA *		-		115.52
Other Liabilities	1,942.20			
Added on Amalgamation (Refer Note I of Schedule 19)	180.53	2,122.73		2,791.45
Due to Directors		-		63.81
Investor Education and Protection Fund shall be credited by the following amount:				
Unpaid Dividend **		2.63		3.08
		4,698.78		**4,726.43**
11. PROVISIONS				
Proposed Dividend on Equity shares		-		168.23
Corporate Tax thereon		-		28.59
Provision for Compensated Absences	0.00		163.24	
Added on Amalgamation (Refer Note I of Schedule 19)	52.04	52.04	-	163.24
		52.04		**360.06**

* Extinguished on Amalgamation. (Refer Note I of Schedule 19).
** 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.

SCHEDULES TO THE ACCOUNTS

	For the Year Ended 31-Dec-2010 Rs. in Lacs		For the Year Ended 31-Dec-2009 Rs. in Lacs	
12. INTEREST INCOME				
On Fixed Deposits with Bankers		10.68		9.39
[Tax Deducted at Source:				
2010 – Rs. (in Lacs) – 1.01				
2009 – Rs. (in Lacs) – 1.26]				
From Subsidiary Company		7.33		17.27
[Tax Deducted at Source:				
[2010 – Rs. (in Lacs) – 1.10				
2009 – Rs. (in Lacs) – 2.54]				
From Others.		8.62		-
		26.63		**26.66**
13. OTHER INCOME				
Profit on Sale of Assets - Net		0.54		1.70
Rent Received		161.00		141.13
[Tax Deducted at Source:				
2010 – Rs. (in Lacs) – 12.14				
2009 – Rs. (in Lacs) – 25.17]				
Lease Rent Received		7.68		8.16
[Tax Deducted at source:				
2010 – Rs. (in Lacs) – 0.98				
2009 – Rs. (in Lacs) – 1.81]				
Miscellaneous Receipts		80.75		7.76
Exchange Variation - Net		449.84		47.54
Excess provision written back				
– For Commission payable to Non-Executive Directors		-		0.86
– Others		174.30		44.61
		874.11		**251.76**
14. DIFFERENCE IN STOCKS AND PURCHASES				
Opening Stock:				
Work in Process		1,221.97		1,136.06
Less: Closing Stock				
Work in Process		1,124.66		1,221.97
		97.31		**(85.91)**

SCHEDULES TO THE ACCOUNTS

	For the year ended 31-Dec-2010 Rs. in Lacs		For the year ended 31-Dec-2009 Rs. in Lacs	
15. DIRECT COST / RAW MATERIALS CONSUMED				
Opening Stock		-		-
Add: Purchases		1,350.57		1,342.74
		1,350.57		1,342.74
Less:Closing Stock		-		-
		1,350.57		**1,342.74**
16. STAFF COSTS				
Salaries,Wages and Bonus		7,216.92		6,900.42
Contribution to Provident and Other Funds		441.85		296.34
Workmen and Staff Welfare Expenses		763.83		533.72
		8,422.60		**7,730.48**
17. OTHER EXPENDITURE				
Cost of Outsourced Services		708.59		589.51
Rent Paid		780.17		679.95
Repairs to:				
– Buildings	248.34		231.90	
– Vehicles	9.13		11.48	
– Plant & Machinery	121.08	378.55	115.60	358.98
Insurance		21.25		20.89
Packing and Forwarding		12.87		54.72
Postage,Telex and Telephones		247.45		285.07
Travelling and Conveyance		755.13		665.33
Power and Fuel		427.76		379.09
Rates and Taxes		105.59		177.84
Directors Sitting Fees		4.70		3.40
Directors Commission		-		10.50
Advertisement		1.56		16.84
Entertainment		10.72		12.32
Provision for Doubtful Debts		70.23		58.84
Bad Debts Written off	40.26		0.20	
Less: Transfer from Provision for Doubtful Debts	-	40.26	(0.09)	0.11
Advances Written off		30.66		12.89
Sales Promotion Expenses		23.45		8.87
Fixed Asset Written off		0.23		52.72
Miscellaneous Expenses		421.20		394.16
		4,040.37		**3,782.03**
18. INTEREST PAID				
To Tax Authorities		3.63		-
To Bankers		29.09		2.87
To Others		1.07		-
		33.79		**2.87**

SCHEDULE 19

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31,2010

I. Significant Accounting Policies:

A. Background

MPS 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 had set up a 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 Advertisements and catalogues, data coding, conversion, indexing, editing, copy editing and editorial services to global publishers.

MPS Limited had 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) was a subsidiary of MPS Content Services Inc. USA.

The Board of Directors of the Company, at its meeting held on 10th January 2011, approved a Scheme of Amalgamation pursuant to Sections 391 to 394 of the Companies Act, 1956 and Oregon Business Corporation Act, USA involving the Amalgamation of the wholly owned subsidiaries of the Company, MPS Technologies Ltd. and MPS Content Services Inc. USA and its wholly owned subsidiary MPS Content Services India Private Limited with the parent company, MPS Limited (the Company), with effect from 31 December 2010, ('Appointed Date'). This Scheme has been sanctioned by the Honourable High Court of Madras vide its order dated 15th June 2011.

On an application made by the Company, the Registrar of Companies (ROC) vide its letter dated 6th June 2011 has granted extension of time for holding the Annual General Meeting for a period of three months upto 30th September, 2011.

Consequent to the sanction of the above scheme:

1. All the assets, liabilities and reserves of MPS Technologies Limited, MPS Content Services Inc. USA and its subsidiary MPS Content Services India Private Limited (Transferor Companies) have been recorded in the books of the Company at the respective values appearing in the books of the Transferor Companies without revaluation.
2. The excess of the value of Investment in the books of the parent company over the value of share capital and reserves of the erstwhile subsidiaries of Rs. 1326.58 Lacs has to be adjusted against the reserves of the Transferee Company in accordance with the Scheme of Amalgamation. Accordingly an amount of Rs. 500 Lacs has been adjusted against the General Reserves and the balance has been adjusted against the surplus in Profit and Loss Account.

(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 (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.

(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 / 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 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 located in United States of America , Fixed 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 website hosting are recognised rateably over the year for which the site is hosted and on man-hours basis for BPO operations.

(ix) Foreign Currency Transactions

(a) Transaction in foreign currencies are 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.

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:

a. **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.

b. **Superannuation 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.

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.

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

(xii) Taxation:

Current Tax is 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 substantively 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.

II. Balance Sheet

Particulars	As at 31 Dec 2010 Rs. In Lacs	As at 31 Dec 2009 Rs. In Lacs
1. 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, United Kingdom the Holding company.		
2. (a) Secured Loan: Working Capital Demand Loan / Cash Credits availed by erstwhile subsidiary amounting to Rs.371.66 Lacs (Previous year - Rs. 349.22 Lacs) are secured by a guarantee given by the Holding Company, HM Publishers Holdings Limited.		
(b) Working Capital Demand Loan / Cash Credits availed amounting to Rs. 600 Lacs (Previous year - Rs. Nil) are secured by stock & book debts of the Company		
(c) Approval of the Board has been obtained for Working Capital facilities of Rs.200 Lacs from HSBC. Company has signed the sanction letter received from HSBC; account opening and charge creation is in progress.		
3. Estimated amount of contracts remaining to be executed on Capital Account and not provided for	7.53	72.95
4. Bank balances include:		
a) With Scheduled Banks on Dividend Account	2.63	3.08
b) Fixed Deposits with Bankers held as margin money for guarantees issued	7.32	4.30
c) Deposits on lien towards performance guarantees and indemnities furnished to STPI/CEPZ authorities and customs	8.05	6.75

5. Contingent Liability:

(a) **Disputed Demands**

Name of the Statute	Nature of Dues	Rs. In Lacs	Period	Forum where dispute is pending
Income Tax Act, 1961	Income Tax demands of erstwhile subsidiaries	5.21 (PY - 5.21)	Asst Year 2005-06	Income Tax Appellate Tribunal, Chennai
Income Tax Act, 1961	Income Tax demands	529.81 (PY - Nil)	Asst Year 2007-08	Deputy Commissioner of Income Tax, Chennai
Income Tax Act, 1961	Income Tax demands	73.70 (PY - Nil)	Asst Year 2007-08	Deputy Commissioner of Income Tax, Chennai
Income Tax Act, 1961	Income Tax demands of erstwhile subsidiaries	1.56 (PY - 1.56)	Asst Year 2007-08	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
Section 66A of Finance Act	Service Tax demands	99.99 (PY - Nil)	Oct 2007 to Sept 2008	Customs and Excise Service Tax Appellate Tribunal, Bengaluru
Section 66A of Finance Act	Service Tax demands	39.54 (PY - Nil)	Jan 2007 to Sep 2007	Commissioner of Service Tax, Bengaluru
Section 66A of Finance Act	Service Tax demands	5.29 (PY - Nil)	Aug 2007 to Sept 2007	Commissioner of Service Tax, Bengaluru
Section 66A of Finance Act	Service Tax demands	9.66 (PY - Nil)	Oct 2007 to Dec 2007	Commissioner of Service Tax, Bengaluru

(b) No provision has been considered for Service Tax amounting to Rs.227.77 Lacs on overseas commission paid for the period from 1 July, 2003 to 31 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, 2010 together with interest amounting to Rs.291.85 Lacs and has been fully remitted. Interest on delayed remittance of Service Tax Rs.52.36 Lacs has been provided for.

(c) As on 31 December, 2010, the Company has appealed against the disallowance of Service Tax claim of Rs.190.54 Lacs. Subsequent to the year end, the company has appealed against disallowance of Rs. 7.99 Lacs. In the opinion of the management, the disallowance is not sustainable.

6. Subsequent to the year end, the Beverly facility of MPS Content Services Inc., erstwhile subsidiary of the Company, has been closed down and the company has incurred an amount of Rs. 48.76 Lacs (equivalent of USD 107,294) towards severance pay to employees and termination costs for early vacation of the premises.

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

III. Profit And Loss Account

		For the Year ended 31 Dec 2010 Rs. In Lacs		For the Year ended 31 Dec 2009 Rs. In Lacs
8. (a) Remuneration to the Managing Director shown in the accounts under natural heads.				
– Salary		39.00		35.00
– Rent Allowance		12.00		11.46
– Special Allowance		2.67		4.58
– Annual Performance Bonus/ Commission		-		45.00
– Contribution to Provident Fund		4.68		4.20
– Contribution to Superannuation Fund		5.85		5.25
– Contribution to Gratuity Fund		1.88		1.68
– Reimbursement of medical expenses		-		0.22
– Group Medical Policy		0.43		0.45
– Leave Salary Accrual		-		-
– Leave Travel Concession		3.25		2.92
– Bonus		0.15		5.32
(b) Estimated Money Value of perquisites calculated as per Rule 3 (a) of the Income Tax Rules, 1972 to the Managing Director.		3.09		0.46
TOTAL		**73.00**		**116.54**
(c) The Board of Directors at the meeting held on 17th February 2011 has approved payment of bonus of Rs 13 Lacs, to the Managing Director for the year ended 31st December 2010. The same is subject to the approval of the Central Government for which necessary applications have been filed.				
(d) Computation of Net Profit for ascertaining commission payable to Non-Executive Directors				
Net Profit before Taxation		(969.06)		868.97
Add: Directors Remuneration		73.00		116.54
Directors Sitting Fees		4.70		3.40
Commission to Non-Executive Directors		-		10.50
Wealth Tax paid		0.92		0.39
Unserviceable Fixed Assets Written off		0.23		52.72
Interest on Loans & Advances (secured by charge)		18.49		-
		(871.72)		**1,052.52**

Less: Excess provision for commission payable to Non-Executive Directors in previous years written back		**-**		**(0.86)**
(Loss)/profit on disposal of Fixed Assets		**(0.54)**		**(1.70)**
Write-back of provision for doubtful debts/ advances		**(174.69)**		-
(Loss)/Profit for calculation of Commission		**(1,046.95)**		**1,049.96**
1 % of Commission thereof to Non-Executive Directors		**Nil**		**10.50**
9. Miscellaneous Expenses include:				
(a) Remuneration and Expenses reimbursed to Auditors.(including Service Tax).				
(i) Audit Fees (includes Fees for Corporate Governance report of Rs. 1 Lac (PY Rs. 1 Lac))		44.45		43.25
(ii) Fees for Other Services:				
– Income Tax representations		-		9.20
– Certification works		1.75		9.54
– Tax Audit		31.10		11.50
– Transfer Pricing Certification		3.00		3.00
(iii) Travelling and out-of-pocket expenses		2.98		1.39
(b) Other		5.88		-
10. Quantitative particulars of production and sales				
(i) Licensed Capacity		Not Applicable		Not Applicable
(ii) Installed Capacity		Not Applicable		Not Applicable
(iii) Actual Production				
Digitized Data capture/Photo-composed pages		1,756,715		2,432,541
	Numbers	**Value in Rs Lacs**	**Numbers**	**Value in Rs Lacs**
(iv) Turnover (including presentations and specimens)				
Digitized Data Capture / Photo Composed Books (pages)	1,756,715	9,769.52	2,432,541	11,069.46
Advertisement Composition		932.26		601.17
Learning and Multimedia		378.80		454.49
Web Hosting, and Software		22.29		88.26
Order Processing and Subscription Management		1,639.40		1,782.00
		12,742.27		**13,995.38**
11. Earnings in Foreign Exchange				
– Export of goods/services calculated on FOB basis		12,742.27		13,995.38
12. Value of Imports on CIF basis				
– Plant and Machinery		179.38		110.90
13. Amount remitted during the year in foreign currency on account of:				
– Dividend		103.40		-
– Number of Non - Resident Shareholders		1		-
– Number of Shares held by them		1,03,39,980		-
– Year to which it relates		2009		-

14. Expenditure in foreign currency on account of:				
– Foreign Travel		131.66		36.19
– Commission/Discount paid		114.11		61.55
– Advertisement		-		13.95
– Sales & Marketing expenses reimbursed to MPS Content Services Inc. USA		1,258.72		1,215.48
– Software Expenses		4.93		5.28
– Satellite Rental charges		15.40		29.08
– Training Programme		16.81		-
– Purchase of Tangible Asset		176.02		110.90
– Purchase of Intangible Asset		3.36		13.92
– Outsourcing Cost		55.98		29.91
– Trademark Fee		64.61		68.02
– Legal and professional charges		5.07		-
– Bank Charges		2.12		-

15. 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 Dec 2010 Rs. In Lacs	For the Year ended 31 Dec 2009 Rs. In Lacs
Gratuity:		
Defined benefit Plans		
(I) Change in Benefit Obligation		
Liability at the beginning of the year	**324.87**	**305.98**
Interest Cost	**24.15**	**21.24**
Current Service Cost	**95.70**	**42.70**
Benefit Paid	**(46.03)**	**(80.84)**
Actuarial (gain)/loss on obligations	**(1.64)**	**35.79**
Transfer from MPST on account of amalgamation, Refer Note I of Schedule 19	**16.76**	**-**
Liability at the end of the year	**413.81**	**324.87**
(II) Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	**321.96**	**265.45**
Expected Return on Plan Assets	**26.48**	**21.65**
Contributions	**64.17**	**91.30**
Benefit Paid	**(46.03)**	**(80.84)**
Benefits settled directly by company	-	-
Actuarial gain/(loss) on Plan Assets	5.71	24.40
Transfer from MPST on account of amalgamation, Refer Note I of Schedule 19	16.31	-
Fair value of plan assets at the end of the year	**388.60**	**321.96**
(III) Actual Return on Plan Assets		
Expected Return on Plan Assets	26.48	21.65
Actuarial gain/(loss) on Plan Assets	5.71	24.40
Actual Return on Plan Assets	**32.19**	**46.05**
(IV) Amount Recognised in the Balance Sheet		
Liability at the end of the year	**413.81**	**324.87**
Fair Value of Plan Assets at the end of the year	**388.60**	**321.96**
Difference (Funded Status)	**25.21**	**2.91**
Amount Recognized in the Balance Sheet	25.21	2.91

(V) Expenses Recognised in the Income Statement		
Current Service Cost	**95.70**	**42.70**
Interest Cost	**24.15**	**21.24**
Expected Return on Plan Assets	**(26.48)**	**(21.65)**
Net Actuarial (Gain)/loss to be recognized	**(7.34)**	**11.38**
Expense Recognized in P & L	**86.03**	**53.67**
(VI) Balance Sheet Reconciliation		
Opening Net Liability	2.91	40.53
Expense as above	86.03	53.67
Employers Contribution	(64.17)	(91.30)
Amount Recognized in Balance Sheet	**24.77**	**2.90**
(VII) Actuarial Assumptions: For the year		
Discount Rate Current	8%	8%
Expected Return of Plan Assets	8%	8%
Salary Escalation Current	6%	5%
Rate of Mortality	As per LIC (1994–96) Mortality Table	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.

16. Segment Reporting:

Business Segment

The Company operates in one business segment, the business of typesetting and data digitization services for overseas publishers. All assets, liabilities, revenue and expenses are related to this segment.

Secondary Segment Information

1. Revenue as per Geographical Market	**As on 31 Dec 2010** Rs in Lacs	**As on 31 Dec 2009** Rs in Lacs
India,	-	-
Europe,	5,779.89	6,957.90
USA,	6,675.78	6,531.73
Rest of the World	286.60	505.75
Total	**12,742.27**	**13,995.38**
2. Carrying amount of Segment Assets	**As on 31 Dec 2010** Rs in Lacs	**As on 31 Dec 2009** Rs in Lacs
India,	8155.79	7,668.45
Europe,	2071.27	1,754.88
USA,	1769.36	6,210.26
Rest of the World	99.59	75.44
Total	**12,096.01**	**15,709.03**

3. Addition to Fixed Assets & Intangible Assets	As on 31 Dec 2010 Rs in Lacs	As on 31 Dec 2009 Rs in Lacs
India,	796.31	884.88
Other Countries	122.69	-
Total	**919.00**	**884.88**

Notes:

1. 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.
2. 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.

17. Related Party Disclosure

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

1.3. Subsidiary Companies* : MPS Technologies Ltd.
MPS Content Services Inc. USA
MPS Content Service India Pvt. Ltd.

*Until 31st December 2010 (Refer Note I of Schedule 19)

2. Group Companies / Entities with whom the Company had transactions during the year:

Macmillan Publishers Limited, UK	Macmillan Iberia SAU
Macmillan Academic Publishing Inc.	Macmillan Education, SA
Macmillan Publishers China Limited	Ediciones Castillo Group Macmillan, Mexico
Macmillan Publishers Australia Proprietary Limited	Gill & Macmillan Publishers (Ireland)
Macmillan Hellas (Greece)	Macmillan Publishers Holdings LLC
Holtzbrinck Publishers Holdings Limited	Macmillan Education Limited
Nature America Inc.	Macmillan Publishers India Limited
Kingfisher Publications Limited	Bookworxs GmbH
HGV Hanseatische Gasellschaft	Euroscript GmbH
Macmillan Poland	

3. Key Managerial Personnel Mr. Rajiv K Seth, Managing Director

4. Related Party Transactions

(a) Service Income / Sales Group Companies / Entities	For the Year Ended 31 Dec 2010 Rs. In Lacs	For the Year Ended 31 Dec 2009 Rs. In Lacs
Macmillan Publishers Limited, UK	1,784.03	2,084.94
Macmillan Publishers Holdings LLC	334.57	324.16
Macmillan Education Limited	-	113.48
Macmillan Publishers China Limited	2.50	1.34
Macmillan Academic Publishing Inc.	275.99	380.96
Macmillan Poland	17.34	-
Macmillan Publishers Australia Proprietary Limited	7.84	30.21
Bookworxs GmbH	-	0.68
HGV Hanseatische Gesellschaft	19.20	35.15
Euroscript GmbH	125.98	-
Holtzbrinck Publishers Holdings Limited	-	0.03
Gill & Macmillan Publishers (Ireland)	23.60	4.20
Macmillan Hellas (Greece)	16.46	10.32
Ediciones Castillo Group Macmillan, Mexico	33.85	10.76
Macmillan Iberia SAU	31.18	51.11
Kingfisher Publication Limited	1.49	1.55
Macmillan Education, SA	4.32	1.94
Total	**2,678.35**	**3,050.83**

(b) Sales – Subsidiary	For the Year Ended 31 Dec 2010 Rs. In Lacs	For the Year Ended 31 Dec 2009 Rs. In Lacs
MPS Content Services Inc. USA	-	467.73

(c) Sales Inwards – Group Companies / Entities	For the Year Ended 31 Dec 2010 Rs. In Lacs	For the Year Ended 31 Dec 2009 Rs. In Lacs
Macmillan Education Limited	20.23	-

(d) Purchase & Charges - Subsidiary	For the Year Ended 31 Dec 2010 Rs. In Lacs	For the Year Ended 31 Dec 2009 Rs. In Lacs
MPS Content Services Inc. USA		
Copy Editing & Pre-production costs	414.09	398.29
Sales & Marketing and other charges	844.63	817.19
Total	**1,258.72**	**1,215.48**
MPS Content Services India Pvt. Ltd.		
Fixed Asset purchased	-	**26.00**

(e) Share of Expenses - Group Companies / Entities	For the Year Ended 31 Dec 2010 Rs. In Lacs	For the Year Ended 31 Dec 2009 Rs. In Lacs
Macmillan Publishers India Limited	5.85	6.27
Macmillan Publishers Limited, UK	439.53	577.68
Total	**445.38**	**583.95**

(f) Share of Expense (Income): Subsidiary	For the Year Ended 31 Dec 2010 Rs. In Lacs	For the Year Ended 31 Dec 2009 Rs. In Lacs
MPS Technologies Ltd.	149.72	205.59

(g) Trademark fee – Holding Company (included under Rates & Taxes under Schedule 17)	For the Year Ended 31 Dec 2010 Rs. In Lacs	For the Year Ended 31 Dec 2009 Rs. In Lacs
HM Publishers Holdings Limited	64.61	68.02

(h) Dividend – Holding Company	For the Year Ended 31 Dec 2010 Rs. In Lacs	For the Year Ended 31 Dec 2009 Rs. In Lacs
HM Publishers Holdings Limited	103.40	-

(i) Remuneration to Key Managerial Personnel	73.00	116.54

(j) Debtors - Group Companies / Entities	For the Year Ended 31 Dec 2010 Rs. In Lacs	For the Year Ended 31 Dec 2009 Rs. In Lacs
Macmillan Publishers Limited, UK	421.91	422.02
Macmillan Publishers Holdings LLC	60.43	91.24
Macmillan Education Limited	16.54	72.54
Macmillan Academic Publishing Inc.	136.36	98.69
Macmillan Publishers Australia Proprietary Limited	6.23	8.74
HGV Hanseatische Gesellschaft	3.85	17.12
Holtzbrinck Publishers Holdings Limited	-	3.39
Euro script GmbH	71.84	-
Gill & Macmillan Publishers (Ireland)	14.57	1.12
Ediciones Castillo Group Macmillan, Mexico	-	4.16
Macmillan Iberia SAU	8.27	24.93
Macmillan Education, SA	-	1.46
Macmillan Poland	17.37	-
Macmillan Publishers India Limited	6.92	-
Total	**764.29**	**745.41**

(k) Debtors – Subsidiary	For the Year Ended 31 Dec 2010 Rs. In Lacs	For the Year Ended 31 Dec 2009 Rs. In Lacs
MPS Content Services Inc. USA	-	257.28

(l) Creditors – Holding Company	For the Year Ended 31 Dec 2010 Rs. In Lacs	For the Year Ended 31 Dec 2009 Rs. In Lacs
HM Publishers Holdings Limited	114.33	68.02

(m) Creditors – Group Companies / Entities	For the Year Ended 31 Dec 2010 Rs. In Lacs	For the Year Ended 31 Dec 2009 Rs. In Lacs
Macmillan Publishers Limited, UK	1,482.15	1,370.15
Macmillan Education, SA	1.81	-
Holtzbrinck Publishers Holdings Limited	40.37	-
Macmillan Publishers India Limited	785.44	962.05
Total	**2,309.77**	**2,332.20**

(n) Creditors – Subsidiary	For the Year Ended 31 Dec 2010 Rs. In Lacs	For the Year Ended 31 Dec 2009 Rs. In Lacs
MPS Content Services Inc. USA (Includes reimbursement of Expenses for Rs. Nil (Previous year - Rs. 60.17 Lacs)	117.77	115.52
Less: Eliminated on Amalgamation, Refer Note I of Schedule No. 19	(117.77)	-
Total	-	**115.52**

(o) Loans & Advances – Subsidiary	For the Year Ended 31 Dec 2010 Rs. In Lacs	For the Year Ended 31 Dec 2009 Rs. In Lacs
MPS Content Services Inc. USA (Includes reimbursement of Expenses for Rs. 1.16 Lacs (Previous year - Nil)	662.19	764.66
Less: Eliminated on Amalgamation, Refer Note I of Schedule No. 19	(662.19)	-
Total	-	**764.66**
MPS Technologies Ltd.	26.43	-
Less: Eliminated on Amalgamation, Refer Note I of Schedule No. 19	(26.43)	-
Total	**-**	**-**

(p) Amount due to – Subsidiary	For the Year Ended 31 Dec 2010 Rs. In Lacs	For the Year Ended 31 Dec 2009 Rs. In Lacs
MPS Content Services India Pvt. Ltd	175.46	176.12
Less: Eliminated on Amalgamation, Refer Note I of Schedule No. 19	(175.46)	-
Total	-	**176.12**
MPS Technologies Ltd.	-	121.83

(q) Off-Balance Sheet items:	For the Year Ended 31 Dec 2010 Rs. In Lacs	For the Year Ended 31 Dec 2009 Rs. In Lacs
Corporate guarantee given to Hong Kong Shanghai Banking Corporation by Holding Company, HM Publishers Holdings Limited for the line of credit availed by erstwhile subsidiary	371.66	349.22

18. Disclosure requirements under Accounting Standard 19 on Leases

Financial lease comprises lease of vehicles under Hire Purchase Scheme. The future cash flows are disclosed below:

Financial Lease:

Particulars	Rentals Rs. in Lacs		Present value Rs. in Lacs	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
Rentals payable under Hire Purchase agreement				
– Within one year	36.73	20.32	26.05	13.46
– Later than one year and not later than five years	102.78	68.11	88.61	57.19
	139.51	**88.43**	**114.66**	**70.65**
Less: Future finance charges	24.85	17.78	-	-
Total	**114.66**	**70.65**	**114.66**	**70.65**

19. Earnings per Share

Particulars	For the Year ended 31 Dec 2010	For the Year ended 31 Dec 2009
Face Value per Share	10.00	10.00
(Loss) / Profit after Tax (Rs. In Lacs) (numerator)	(880.71)	712.65
Weighted number of Shares outstanding during the year (denominator)	16,822,668	16,822,668
Basic & Diluted Earnings per share (in Rupees)	**(5.24)**	**4.24**

20. Breakup of Deferred Tax Asset and Deferred Tax Liability (arising out of timing differences)

Particulars	For the Year ended 31 Dec 2010 Rs. in Lacs	For the Year ended 31 Dec 2009 Rs. in Lacs
a) Deferred Tax Asset		
– Provision for Doubtful Debts	51.74	29.07
– Provision for Gratuity, Leave encashment & Bonus	123.70	55.49
– Others	18.61	11.76
Total	**194.05**	**96.32**
b) Deferred Tax Liability		
– Depreciation	211.68	201.45
Net Deferred Tax Liability (b – a)	**17.63**	**105.13**

21. No provision has been made for Minimum Alternate Tax (MAT), as the Company has obtained legal opinion to the effect that the income accrued or arising at a unit in the SEZ, does not fall within the ambit of Section 115JB of the Income Tax Act, 1961.
Current tax is determined in respect of taxable income for the Calendar year ended 31st December, 2010. The ultimate current Tax liability will be determined on the basis of taxable income for the Financial year 1st April, 2010 to 31st March, 2011.

22. 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', 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 hedge the foreign currency risk of firm commitments/highly probable transactions as at 31st December, 2010 is USD 10,100,000, Euro 450,000 and GBP 2,000,000 (Previous year - USD 11,500,000 & Euro 2,575,000).

The remeasurement of the fair value as at the balance sheet date has resulted in mark to market net gains of Rs.174.99 Lacs (Previous year - net gain of Rs. 217.07 Lacs) relating to undesignated forward contracts. The gains have not been recognised in the Profit and Loss account as a matter of prudence.

23. The financial statements of 2010 includes the operating results of the erstwhile subsidiaries consequent to Amalgamation, which do not form part of the operating results of previous year. 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 current year's presentation.

For and on behalf of the Board of Directors

LAWRENCE JENNINGS
Chairman

RAJIV K SETH
Managing Director

SUPRIYA KUMAR GUHA
Secretary

Place: Mumbai
Date: 13th July, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	05795	State Code	18
Balance Sheet Date	31-12-2010		

II. Capital raised during the year (Rupees in thousands)

Public Issue	NIL	Rights Issues	NIL
Bonus Issue	NIL	Private Placements	NIL

III. Position of the mobilisation and development of funds (Rupees in thousands)

Total Liabilities	1258051	Total Assets	1258051

Sources of Funds

Paid up Capital	168227	Reserves & Surplus	504347
Secured Loans	108632	Unsecured Loans	NIL
Deferred Tax Liability (Net)	1763		

Application of Funds

Net Fixed Assets	370243	Investments	NIL
Net Current Assets	412726	Miscellaneous Expenditure	NIL
Accumulated Losses	NIL		

IV. Performance of Company (Rupees in thousands)

Turnover	1364301	Total Expenditure	1461207
Loss before Tax	96906	Loss after Tax	88071
Earning per Share (in Rs.)	–5.24	Dividend Rate %	NIL

V. Generic name of three principal products / services of the Company (As per monetary terms)

Item code no. (ITC code no.)	NOT APPLICABLE
Product Description	PHOTO COMPOSED PAGES
Item code no. (ITC code no.)	NOT APPLICABLE
Product Description	DIGITIZED DATA CAPTURE

PLACE : Mumbai
DATE : 13th July, 2011

LAWRENCE JENNINGS
Chairman

RAJIV K SETH
Managing Director

SUPRIYA KUMAR GUHA
Secretary