

MPS Limited

(Formerly Macmillan India Limited)

Registered Office: 27 G.N. Chetty, T. Nagar, Chennai 600 017



A MACMILLAN COMPANY

Un-Audited Financial Results for the Quarter Ended 31-Dec-2010

Rs. in Lacs

Sl.No.	Particulars	Ref	STANDALONE				CONSOLIDATED			
			Three month ended 31-12-2010 (Un-Audited)	Corresponding Three months ended in the previous year 31-12-2009 (Un-Audited)	Year to date figures for the 12 months ended 31-12-2010 (Un-Audited)	Previous accounting Year ended 31-12-2009 (Audited)	Three month ended 31-12-2010 (Un-Audited)	Year to date figures for the 12 months ended 31-12-2010 (Un-Audited)	Previous accounting Year ended 31-12-2009 (Audited)	
1.	a) Net Sales b) Other Operating Income		3,452 80	3,873 -	12,742 80	13,995 -	4,032 80	14,813 80	16,354 -	
2.	Expenditure a) (Increase)/Decrease in stock in trade and Work in b) Consumption of Raw Materials c) Employees cost d) Depreciation e) Other Expenditure		90 342 2,063 189 935	209 372 1,650 187 1,051	97 1,351 8,403 667 4,017	(86) 1,343 7,731 632 3,781	90 24 2,419 246 1,227	97 92 9,974 891 5,137	133 183 9,534 908 5,386	
	Total Expenditure		3,619	3,469	14,535	13,401	4,006	16,191	16,144	
3.	(Loss)/ Profit from operations before Other Income,	(1-2)	(87)	404	(1,713)	594	106	(1,298)	210	
4.	Other Income		346	74	821	278	328	781	371	
5.	(Loss)/ Profit before Interest & Exceptional Items	(3+4)	259	478	(892)	872	434	(517)	581	
6.	Interest		21	2	53	3	24	65	16	
7.	(Loss) / Profit after Interest but before Exceptional	(5-6)	238	476	(945)	869	410	(583)	565	
8.	Exceptional Items		238	476	(945)	869	-	-	-	
9.	(Loss)/ Profit from Ordinary activities before tax	(7+8)	238	476	(945)	869	410	(583)	565	
10.	Tax Expenses		(93)	66	(88)	156	(111)	(113)	93	

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11	Net (loss)/ Profit from ordinary activities after tax	(9-10)	331	410	(857)	713	521	(470)	472
12	Extraordinary item (net of tax expense)						-	-	-
13	Net (loss)/ Profit for the period		331	410	(857)	713	521	(470)	472
14	Paid-Up Equity Share Capital (face value - Rs.10 per share)		1,682	1,682	1,682	1,682	1,682	1,682	1,682
15	Reserves excluding Revaluation Reserve as per the Earning per Share		-	-	8,310	9,167	6,392	6,392	6,863
16	- Basic & diluted - not annualised)		1.97	2.44	(5.09)	4.24	3.10	(2.79)	2.80
17	Public Shareholding:								
	- Number of shares		6482688	6482688	6482688	6482688	6,482,688	6,482,688	6,482,688
	- Percentage of holding to total shares		39%	39%	39%	39%	39%	39%	39%
18	Promoters and promoter group shareholding								
	(a) Pledged / Encumbered								
	- Number of shares		-	-	-	-	-	-	-
	- % of Promoter & Promoter Group holding		-	-	-	-	-	-	-
	- % of Total Share Capital of the Company		-	-	-	-	-	-	-
	(b) Non-Encumbered								
	- Number of shares		10339980	10339980	10339980	10339980	10,339,980	10,339,980	10,339,980
	- % of Promoter & Promoter Group holding		100%	100%	100%	100%	100%	100%	100%
	- % of Total Share Capital of the Company		61%	61%	61%	61%	61%	61%	61%

Notes:

1 The above statement of unaudited Stand-alone and Consolidated Financial Results for the quarter ended 31st Dec, 2010 was reviewed by the Audit Committee and upon their recommendation, approved by the Board of Directors at their meeting held on 11th February 2011. The results have been subjected to limited review by the statutory auditors of the company.

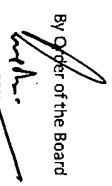
2 The Company had opted to publish financial results on a consolidated as well as standalone basis for the first time from the quarter ended 31-Mar-2010. Therefore, the comparative consolidated results of the quarter have not been published.

3 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 31-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 and the National Stock Exchange, the Scheme, as approved by the Board of Directors of all the companies was filed with the above exchanges for their approval. The requisite approvals of the Stock Exchanges have since been received. Legal proceedings will now be initiated in the Madras High Court, pursuant to the applicable provisions of the Companies Act, 1956 towards seeking its sanction to the Scheme. Should the Scheme be sanctioned by the Madras High Court, material changes arising from the sanctioned Scheme, with effect from the Appointed Date, on the financial results will be reflected in the financial statements of MPS Limited for the full year ended 31-December-2010 by way of an adjustment of Rs. 1326.58, representing the excess of carrying value of the investment in MPS Content Services Inc. over its Share Capital, with the Free Reserves of Rs. 6,392.39 lakhs of MPS Limited as at 31-December-2010 resulting in the restatement of the Free Reserves as on 31-December-2010 to a figure of Rs. 5,065.81. During the current financial year, the Company had commissioned a study to review the possible impairment of the carrying value of the investment in its wholly owned subsidiary company, namely, MPS Content Services Inc., which reported partial impairment of the carrying value of the investment in this subsidiary company. In view of the aforesaid proposed amalgamation and the fact that (a) the presence of the US subsidiary company and its list of customers have contributed significantly to the increase of revenues from North America for the parent company since 2008 and (b) investments made in technology and automation projects to boost productivity are reasonably expected to better profitability, the requirement to make a provision in the books of MPS Limited for the carrying value of the investment in MPS Content Services Inc. and any risk associated with the loan provided to this Company are not considered in these financial statements.



4. As per legal opinion obtained no provision has been made for Minimum Alternate Tax (MAT) in respect of losses incurred at the Company's Special Economic Zone (SEZ) operation 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.
5. In accordance with the recommendations on "Derivative Positions of Companies" given by the Institute of Chartered Accountants of India, the Mark-to-Market gains as at 31-Dec-2010 are Rs. 174.99 lakhs, which have not been recognised, as a matter of prudence.
- 6.(a) No provision has been considered for Service Tax amounting to Rs 227.77 lakhs on overseas commission for the period from 1-July-2003 to 31-December-2006 as, in the opinion of the management, the demand is not sustainable. An appeal has been filed by the Company in the Appellate Tribunal against the said demand.
- (b) The Company has appealed against a disallowance of service tax claim of Rs.190.54 lakhs. The management is of the opinion that this disallowance is not sustainable.
7. In response to the auditor's observations in the Limited Review Report for the Quarter Ended 31-December-2010, the footnotes above are self explanatory.
8. The number of investor complaints pending at the beginning of the quarter, received and disposed off during the quarter and lying unresolved at the end of the quarter is Nil.
9. The Company operates in a single segment, "Publishing Services"
10. Previous period figures have been regrouped wherever necessary to conform to current period's classification.

By Order of the Board


RAVIL K. SEETHI
Managing Director & CEO

Mumbai

Dated: 17th February 2011