

34th ANNUAL REPORT 2003



Report

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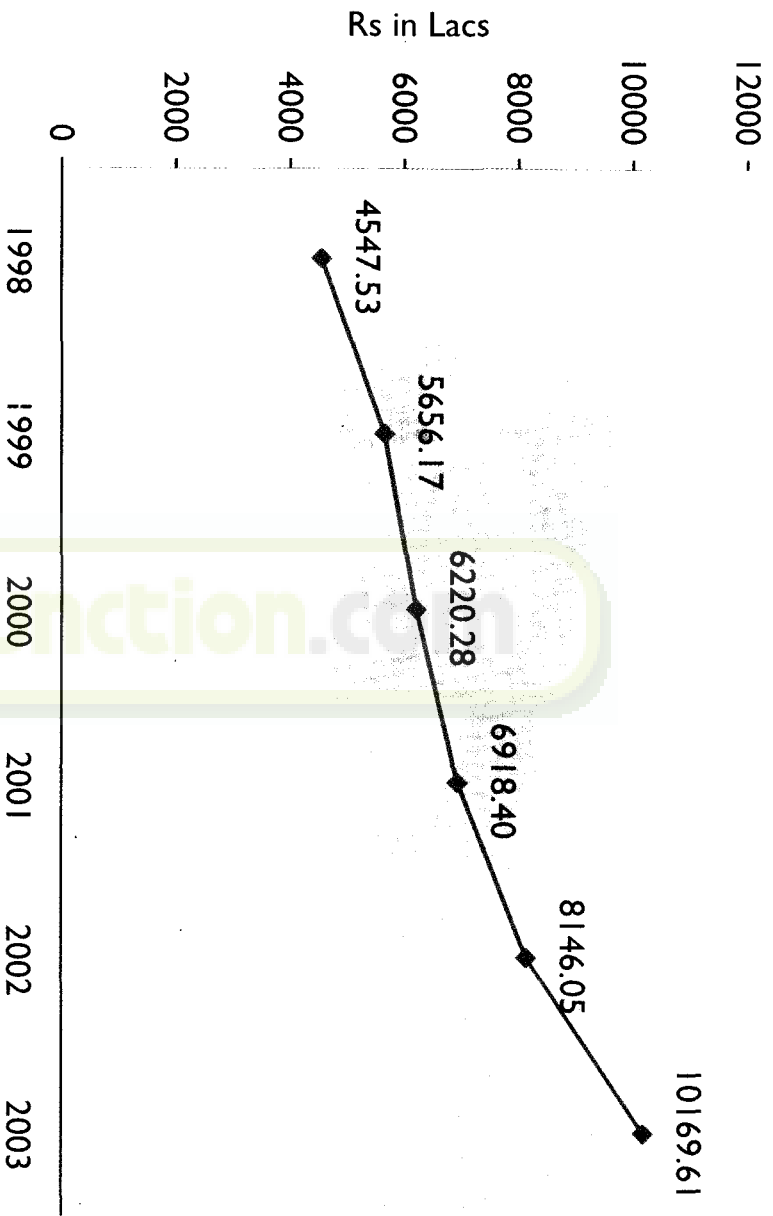
34th Annual Report 2003

Board of Directors

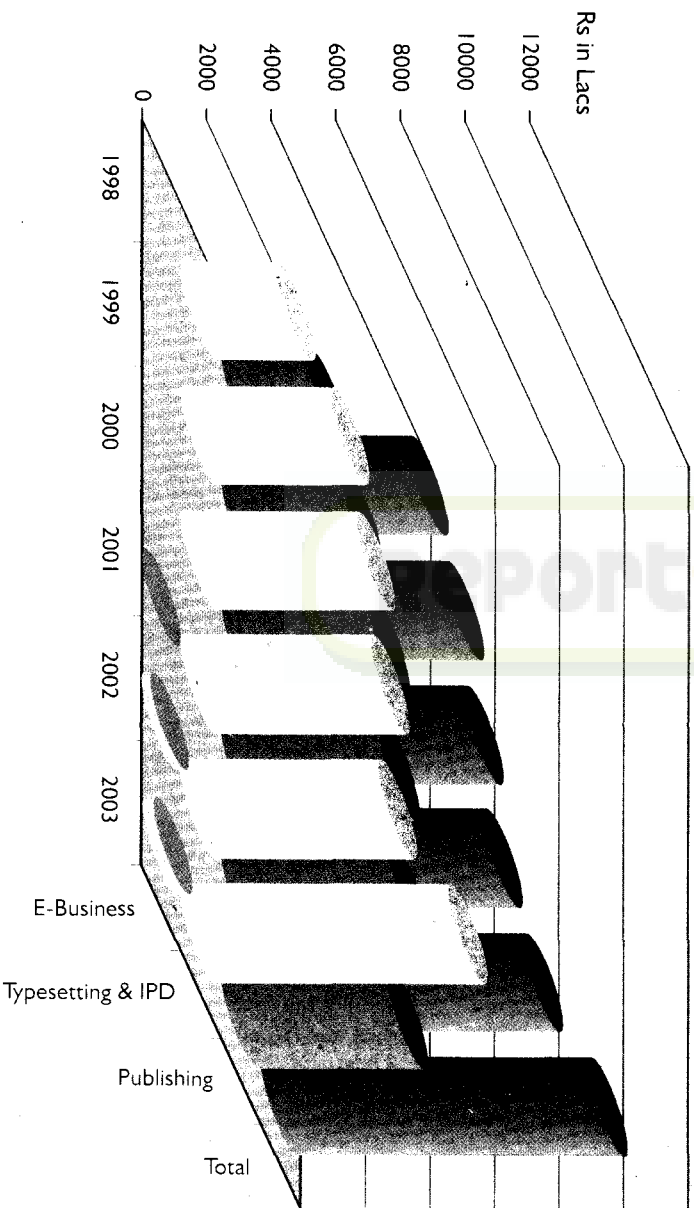
Mr. Richard Charkin	Chairman (from 16th March 2004)
Mr. D. E. Udawadia	Vice Chairman
Mr. A. Soar	Director (Chairman upto 16th March 2004)
Mr. M. J. Barnard	Director
Mr. R. R. Chari	Director
Mr. Rajiv Beri	Managing Director
Mr. D. Banerjee	Whole-time Director
Mr. V. K. Venkatakrishnan	Company Secretary & Financial Controller
Legal Advisors	Messrs. Udawadia & Udeshi Solicitors & Advocates Thomas Cook Building III Floor 324, D.N. Road, Fort, Mumbai 400 001
Auditors	Messrs. Fraser & Ross Temple Towers, II Floor, 672, Anna Salai Nandanam, Chennai 600 035
Corporate Office	315-316, Raheja Chambers, 12, Museum Road, Bangalore 560 001
Registered Office	21, Patullos Road, Chennai 600 002
Information Processing Division & Photo Typesetting Division	HMG Ambassador, 137, Residency Road Bangalore 560 025 Brigade Towers, 135, Brigade Road, Bangalore 560 025 St. Patrick's Complex 4th Floor 157, Brigade Road, Bangalore 560 025 Salarpuria Citadel, 3, Hosur Road., Adugodi Bangalore 560 030 40, Peters Road, Chennai 600 014
E-Business Division	Floor 8, Brigade Towers, Bangalore 560 025
Printing Press	Injambakkam, Chennai 600 041
Editorial	2/10, Ansari Road, New Delhi 110 002
Regional Offices	Chennai, Delhi, Kolkata, Mumbai
Showrooms	Bangalore, Bhopal, Chandigarh, Chennai, Coimbatore Cuttack, Ghaziabad, Guwahati, Hubli, Hyderabad, Jaipur Lucknow, Madurai, Mumbai, Nagpur, Patna, Pune, Raipur Trivandrum, Visakhapatnam
Registrars and Share Transfer Agents	Cameo Corporate Services Limited Subramanian Building, I, Club House Road Chennai 600 002

KEY FINANCIALS

SALES

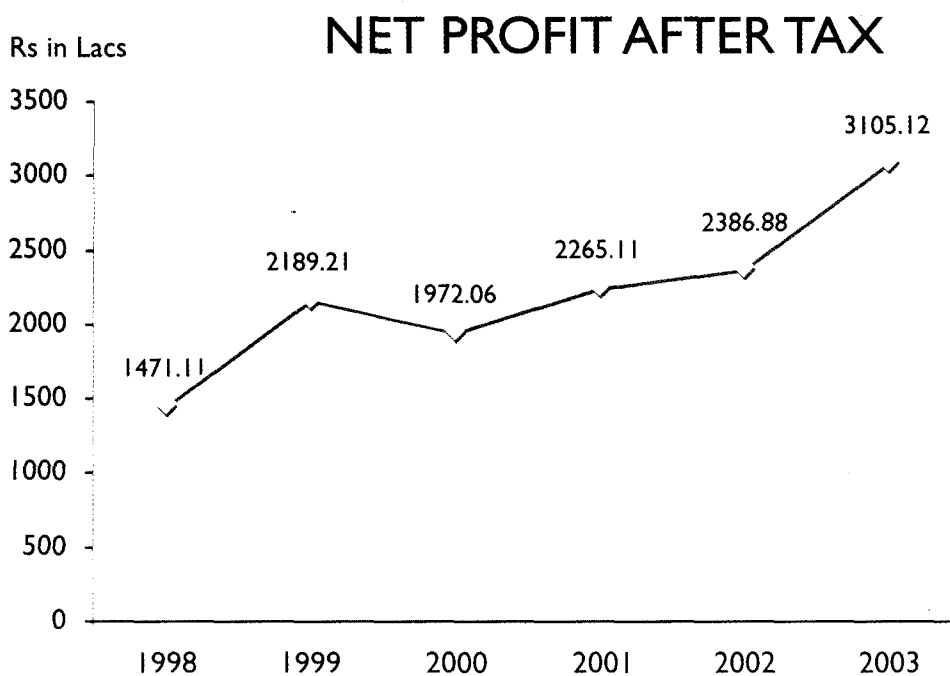


SEGMENTAL SALES



KEY FINANCIALS

	1998	1999	2000	2001	2002	2003
INCOME						
Sales						
Publishing	2,212.74	2,796.58	3,274.16	3,840.41	3,935.64	3,937.66
E-Business				0.40	260.86	355.13
IPD & Typesetting	2,334.79	2,859.59	2,946.12	3,077.59	3,949.55	5,876.82
Total Sales	4,547.53	5,656.17	6,220.28	6,918.40	8,146.05	10,169.61
Interest	199.77	226.98	220.20	212.32	200.29	340.25
Other Income	149.89	164.76	144.37	339.80	339.31	238.49
Total Income	4,897.19	6,047.91	6,584.85	7,470.52	8,685.65	10,748.35
YOY Growth						
Publishing & E-Business	18%	26%	17%	17%	9%	2%
IPD & Typesetting	41%	22%	3%	4%	28%	49%
Total Sales	29%	24%	10%	11%	18%	25%
EXPENDITURE						
Expenditure	2,722.77	3,071.29	3,417.74	4,379.37	5,522.49	6,831.19
Depreciation	188.73	197.41	373.12	353.32	396.55	431.64
Total Expenditure	2,911.50	3,268.70	3,790.86	4,732.69	5,919.04	7,262.83
Profit before Extra-ordinary items	1,985.69	2,779.21	2,793.99	2,737.83	2,766.61	3,485.52
Less: Provision for diminution in value of Investments			106.93	23.83		
Profit before Taxation	1,985.69	2,779.21	2,687.06	2,714.00	2,766.61	3,485.52
Provision for Taxation	514.58	590.00	715.00	448.89	379.73	380.40
Profit After Taxation	1,471.11	2,189.21	1,972.06	2,265.11	2,386.88	3,105.12



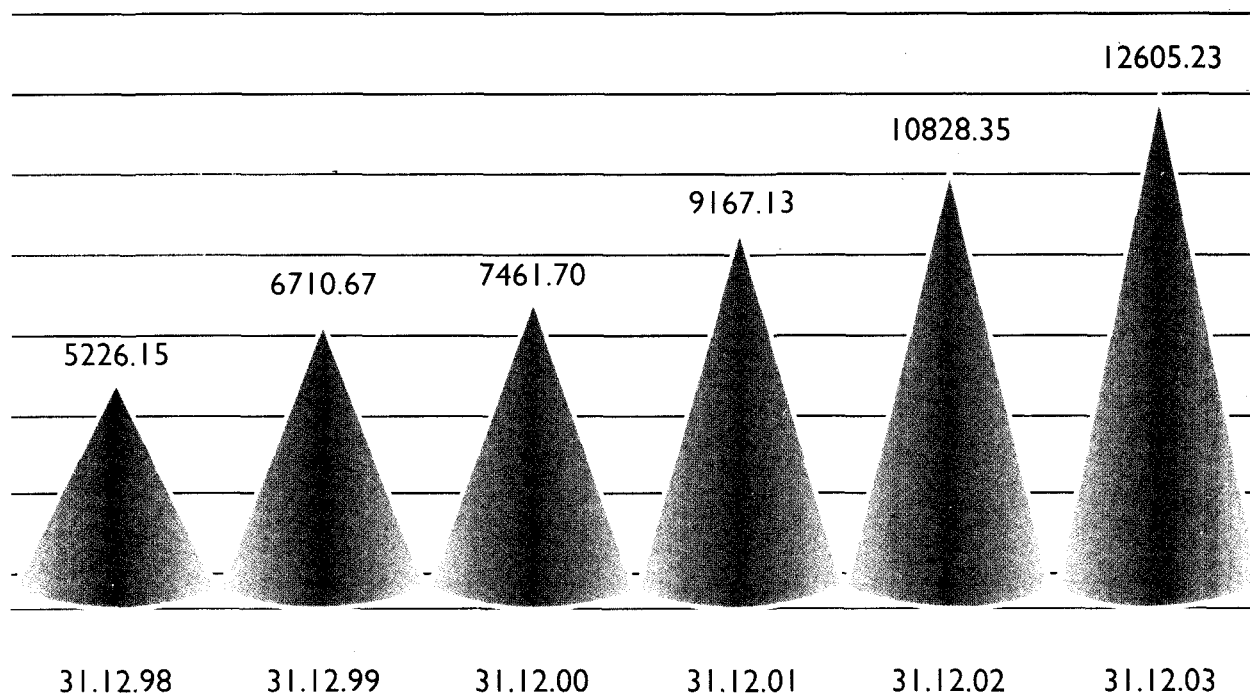
NET WORTH

Rs in Lacs

	31.12.98	31.12.99	31.12.00	31.12.01	31.12.02	31.12.03
Fixed Assets	2,015.37	2,682.63	2,686.92	2,953.34	3,076.75	3,147.57
Investments	595.20	595.18	478.20	554.02	764.38	764.57
Current Assets, Loans & Advances	4,286.39	5,051.11	5,746.86	7,305.41	9,656.34	12,394.19
Current Liabilities & Provisions	(1,670.81)	(1,618.25)	(1,450.28)	(1,645.64)	(2,669.12)	(3,701.10)
Net Worth	5,226.15	6,710.67	7,461.70	9,167.13	10,828.35	12,605.23



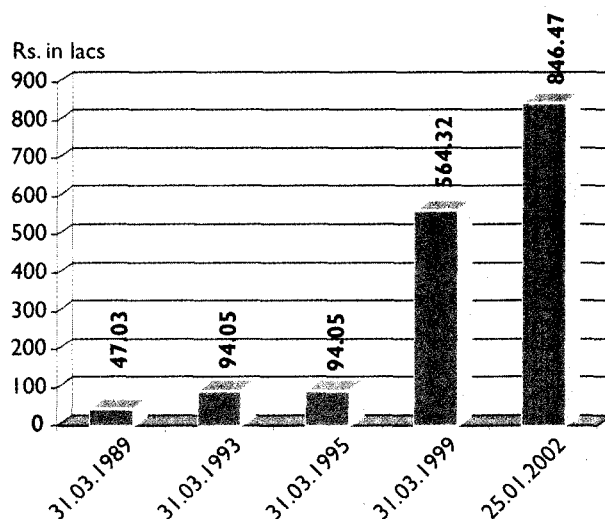
Rs in Lacs



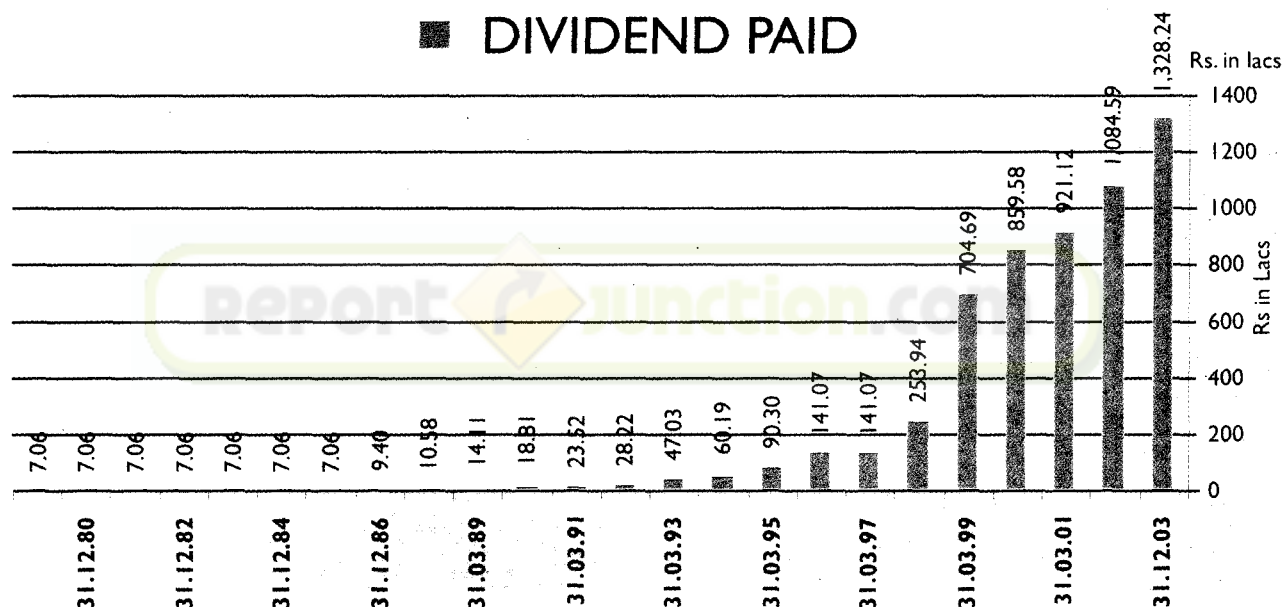
SHAREHOLDER VALUE

Bonus Issued

	CAPITAL Rs in Lacs	BONUS ISSUED Rs in Lacs	ON CURRENT CAPITAL RATIO	No. of times on original capital
25.01.2002	1692.94	846.47	1:1	36
31.03.1999	846.47	564.32	2:1	18
31.03.1995	282.15	94.05	1:2	6
31.03.1993	188.10	94.05	1:1	4
31.03.1989	94.05	47.03	1:1	2

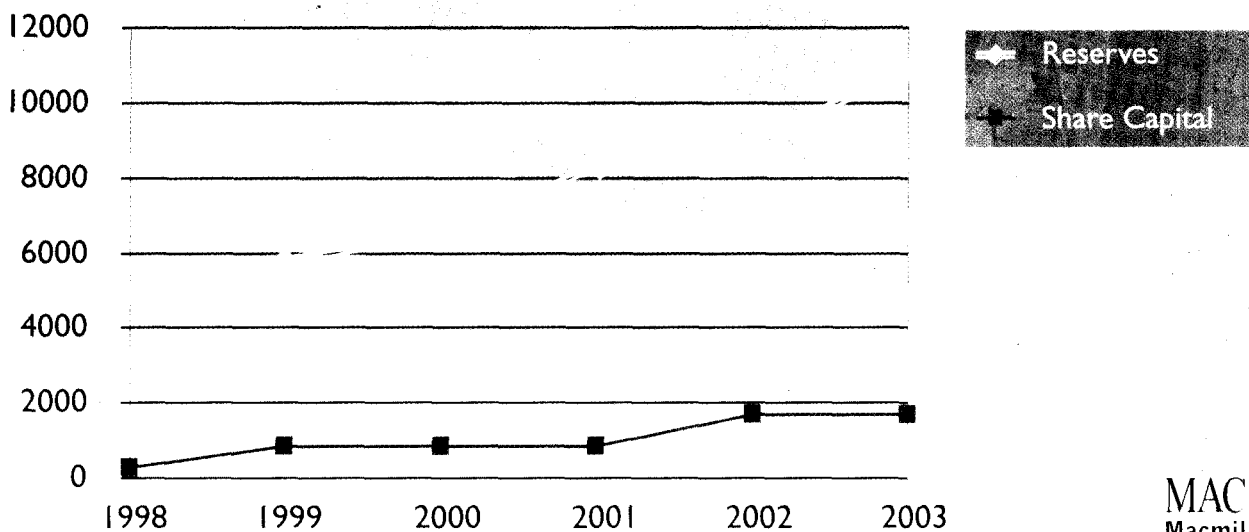


DIVIDEND PAID



SHARE CAPITAL & RESERVES

Rs in Lacs



REPORT OF THE BOARD OF DIRECTORS

The Board of Directors is pleased to present the Thirty-fourth Annual Report and the Audited Accounts for the year ended 31st December 2003.

Accounts

The profit for the year is as under.

	Rs in Lacs	
	For the year ended 31.12.2003	For the year ended 31.12.2002
Profit for the year after depreciation and taxation	3,105.12	2,386.88
To which is added:		
Surplus brought forward from previous year	5,042.79	4,240.50
	8,147.91	6,627.38
Appropriations:		
Interim dividend already paid	504.60	420.47
Proposed Dividend	672.79	588.69
Corporate Tax on Dividend	150.85	75.43
Transfer to General Reserve	500.00	500.00
Surplus carried forward	6,319.67	5,042.79
	8,147.91	6,627.38

Dividend

An interim dividend of 30% has already been paid. The Directors have recommended a final dividend of 40% for the financial year ended 31st December 2003 which if approved at the forthcoming Annual General Meeting would be paid to all those Equity Shareholders whose names appear on the Register of Members as on 25th June 2004.

PROGRESS OF THE BUSINESS

The year under review has been an eventful and successful year. The Company achieved the milestone of

Rs 100 Crore sales, and the Information Processing Division grew by 49%. The overall sales for the year was Rs 101.70 Crore as against Rs 81.46 Crore in the previous year, recording an increase of 25%. Detailed analysis, discussion and progress are given in the segmental reporting section of the Management Discussion and Analysis Report. The Company was awarded the CAPEXIL award for the highest exports in its category of products for the twenty-first year in succession. Our recent titles in Higher Education Publishing won four of the seven All India ISTD awards for excellence in management education, including the first prize. Three of our titles received the 'Awards for Excellence in Publishing' from the Federation of Indian Publishers for the year 2004.

Overall Company Aims

The Company's current strategy remains unchanged:

- To build its lead as the country's foremost educational publisher at all levels of education, both by continuing to increase the scope and quality of its textbook publishing and by building a new reputation as a leader in distance education through e-learning.
- To increase the size, scope and technological advantage of its business as a global high added-value IT-enabled service provider for publishers. Our intention is to remain in the forefront of this area, and to play a major part in the harnessing of India's skills, abilities and cost-advantages and in assisting in India's domination of IT-enabled services in the coming years.

Subsidiary Company

Pursuant to Section 212 of the Companies Act 1956, the accounts of the subsidiary company Brigade Marketing

REPORT OF THE BOARD OF DIRECTORS

Company Limited, are given in the Annexure. The premises of the subsidiary company have been used for the business of your Company. In accordance with Accounting Standard (AS) 21, a Consolidated Statement of Accounts is attached.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

During the year under review, foreign exchange earned through exports was Rs 6,037 lacs as against Rs 4,148 lacs for the year ended 31st December 2002. The outgo of foreign exchange was Rs 1,607 lacs. Thus the net foreign exchange earned by the Company was Rs 4,430 lacs. The details of earnings and outgo are given in the Notes forming part of the Accounts for the year ended 31st December 2003.

The provisions regarding disclosure of particulars in Form A with respect to Conservation of Energy is not applicable to the Printing and Publishing industry. Particulars regarding Technology Absorption in Form B are annexed to this report.

Industrial Relations

Industrial Relations throughout the Company remained cordial during the year under review.

Directors

Under Article 108 of the Articles of Association of the Company Mr. R.R. Chari and Mr. D.E. Udawadia retire by rotation and being eligible, offer themselves for re-election. The term of appointment of Mr. D. Banerjee is due for renewal from 1st February 2004.

Mr. A. Soar retired as Chairman of the Board of Directors with effect from 16th March 2004 but continues as a director of the Board. Mr. R. Charkin was appointed as the Chairman of the Board of Directors with effect from that date.

Auditors

The Auditors, Messrs. Fraser & Ross, retire from Office at the forthcoming Annual General Meeting

and being eligible, offer themselves for reappointment.

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 2003 is annexed.

Directors Responsibility Statement

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

- (i) that in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for that period;
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors have prepared the annual accounts on a 'going concern basis'.

Corporate Governance

As stipulated under Clause 49 of the listing agreement, a separate report on Corporate Governance along with the Auditors' Certificate on its compliance and a report on Management Discussion and Analysis are attached as part of the Annual Report.



REPORT OF THE BOARD OF DIRECTORS

Acknowledgements

This Company is dependent for its success on the support of its shareholders, its authors, and its customers and above all of its management and staff. The directors wish to place on record their appreciation of this support during another successful year in 2003.

For and on behalf of the Board

Mumbai
16th March 2004

D.E. Udwadia
Vice-Chairman

