

43 Annual Report 2012-13

Your reliable
publishing solutions
partner

MPS



DigiCore

From **MPS**

Smart, cloud-based digital publishing platform

- » Workflow driven with different stakeholders working collaboratively
- » Configurable end-to-end workflow
- » Integrated digital asset management
- » Real-time dashboard
- » Routing and tracking



DigiEdit

Intuitive Online Editing

- » Online smart editing with underlying XML
- » Rich editorial functionalities
- » Intuitive context-based editing and preview
- » Smart navigation
- » Track changes functionality
- » Table and math editing features
- » Integration with third-party databases such as Cross-Ref and PubMed

DigiComp

Automated Composition

- » On-the-fly, automated page proof generation
- » Customized templates for layout
- » Proof, POD, and eBook PDF generation
- » Advanced black-box composition engines
- » Online validation of input files
- » Built-in error reporting

DigiCon

Multi-Format Transformation

- » EPUB and MOBI output
- » Publisher XML/Schema output
- » Round-trip XML to Word
- » Feed for mobile apps
- » XSL transformation engine
- » Integrated validation and QC tools

DigiEnrich

Engaging Media-Based Content Enhancement

- » Print to digital transformation maintaining print fidelity
- » Interactivity such as activities, exercises, animations, and simulations
- » Multimedia processing, audio/video editing, closed captioning, and content integration
- » Flash/HTML5 output to support popular operating systems and devices
- » Native, Web, and hybrid apps for Android & iOS mobiles and tablets

DigiReady

Distribution and Delivery

- » Integration with publisher's CMS and third-party systems
- » Distribution to retailers and online platforms such as Amazon, iTunes, and Kobo
- » Content Store – eBook delivery and distribution platform by MPS
 - Library lending
 - Global content formats
 - Integrated eCommerce
 - DRM services
 - Social media integration
 - COUNTER usage stats
 - Extensive administration

MPS

MPS Limited

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Website: www.adi-mps.com

For further information or to schedule a demo on DigiCore please contact:
marketing@adi-mps.com



KEY INFORMATION

BOARD OF DIRECTORS

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Chairman & Managing Director Mr. Nishith Arora (Chairman & Managing Director w.e.f. April 19, 2012 and Non Executive Chairman up to April 18, 2012)

Vice Chairman & Independent Director Mr. D. E. Udawadia

Independent Director Mr. Ashish Dalal

Independent Director Mr. Vijay Sood

Managing Director Mr. Rajiv K. Seth (upto April 18, 2012)

Company Secretary Mr. Supriya Kumar Guha

Chief Financial Officer Mr. Sunit Malhotra

Legal Advisors Messrs Udawadia, Udeshi & Argus Partners
Solicitors & Advocates
Elphinstone House, 1st Floor, 17, Murzban Road, Mumbai – 400001

Auditors Messrs Deloitte Haskins & Sells
Deloitte Centre, Anchorage II
100/2 Richmond Road
Bengaluru 560025, India

Bankers BNP PARIBAS
Landmark Building, 3rd Floor, 21/15, M. G. Road, Bengaluru – 560001
Kotak Mahindra Bank Limited
10/7, Umiya landmark 3rd Floor, Lavelle Road, Bengaluru – 560001

Corporate Office C 35, Sector 62, Noida 201 307, Uttar Pradesh

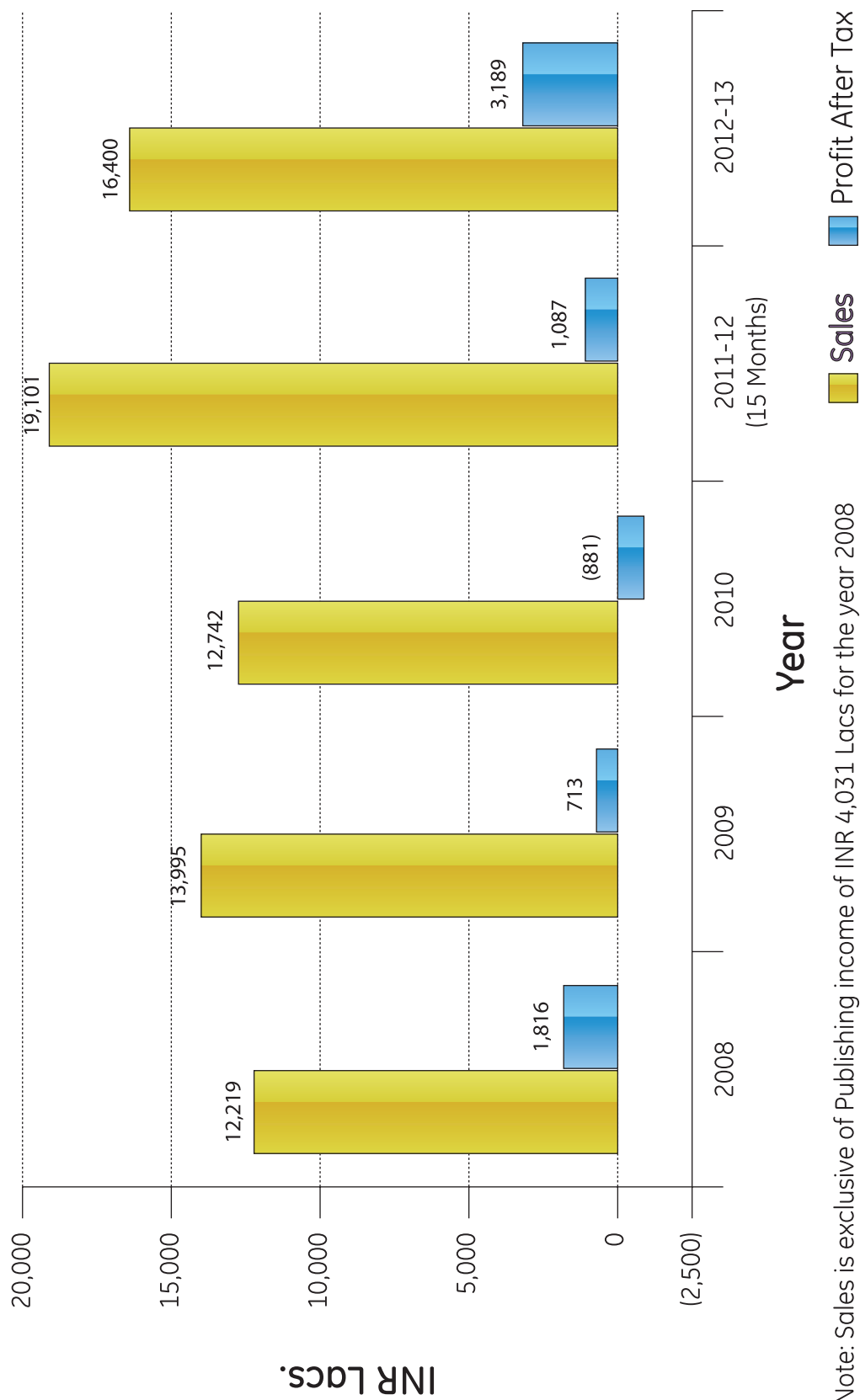
Registered Office RR Towers IV, Super A, Thiru-vi-ka Industrial Estate,
Guindy, Chennai – 600 032

Other Offices HMG Ambassador, 137 Residency Road, Bengaluru 560025
865, Udyog Vihar, Phase V, Gurgaon – 122016
Ground floor, NSIC Bhavan, STP complex, Okhla Industrial Estate,
New Delhi 110020
33, IT Park, Sahastradhara Road, Dehradun 248001

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

FIVE YEARS SALES & PROFITABILITY TREND



FIVE YEARS SUMMARY

(INR in Lacs)

Particulars	Unit	2008	2009	2010	15 months 2011-12	2012-13
Sales & Earnings						
Total Income (inclusive of Other Income)*		16,434	14,274	13,643	19,773	16,898
Profit before depn & tax		2,943	1,502	(302)	2,524	4,731
Profit before tax		2,329	869	(969)	1,456	3,995
Profit after tax		1,809	749	(968)	1,078	3,114
Deferred tax liability/asset		(7)	36	(87)	(9)	(75)
Balance profit after tax		1,816	713	(881)	1,087	3,189
Dividend paid including tax on dividend		-	197	-	782	1,955
Retained earnings		1,816	516	(881)	305	1,234
Capital Employed						
Fixed assets						
- Gross including CWIP & Capital Advance		5,943	6,565	8,852	8,072	7,746
- Less: Depreciation Reserve		(3,043)	(3,477)	(5,150)	(5,422)	(5,570)
- Net Fixed Assets		2,900	3,088	3,702	2,650	2,176
Investments		4,330	4,320	-	1,220	1,773
Deferred tax assets		-	-	-	-	66
Non-current assets		-	-	-	1,485	1,800
Net current assets (working capital)		3,171	3,616	4,127	1,868	2,471
Total		10,402	11,025	7,830	7,224	8,286
Represented by						
Networth		10,333	10,849	6,726	7,031	8,265
Borrowings - secured		-	71	1,086	51	12
Other long-term liabilities		-	-	-	134	9
Deferred tax liability		69	105	18	9	-
Total		10,402	11,025	7,830	7,224	8,286
Ratios						
Measures of Performance						
PBT to Total income	%	14%	6%	-7%	7%	24%
PAT to Total income	%	11%	5%	-6%	5%	19%
Employee cost to Total Income	%	42%	54%	62%	54%	46%
Net fixed assets to Networth	%	28%	28%	55%	38%	26%
Fixed assets usage	Times	5.67	4.62	3.68	7.46	7.76
Measures of Investments						
Return on Networth	%	18%	7%	-13%	15%	39%
Earnings per share	₹	10.8	4.24	(5.24)	6.46	18.96
Dividend payout ratio	%	0%	28%	0%	72%	61%
Dividend coverage ratio	Times	0	3.62	-	1.39	1.63
Measures of Financial Status						
Current ratio	Unit	1.78	1.71	1.87	1.97	2.39
Debt equity ratio	Unit	-	0.01	0.16	0.01	0.00
WIP holding (on sales)	Days	25.52	31.87	32.22	17.68	19.80
Other information						
Contribution to exchequer	₹	286.34	70.39	123.57	206.89	848.62
Employee						
- Cost	₹	6,950	7,730	8403	10,687	7,712
- Numbers	Nos.	2,633	2,639	2,713	2,143	2,331
Number of shareholders	Nos.	5,878	9,187	8,505	7,525	6,877
Dividend (including Interim dividend)	%	0%	10%	0%	40%	100%
Book value = net worth per share	₹	61.42	64.49	39.98	41.79	49.13

* Includes sales revenue of publishing business upto demerger date for the year 2008 - INR 4031 Lacs.

For the Financial Year 2011-12 and 2012-13 net current assets are classified as per revised schedule VI prescribed under Companies Act.

MPS LIMITED

Registered Office. RR Towers IV, Super A, 16/17 T V K Industrial Estate, Guindy, Chennai 600 032

NOTICE TO MEMBERS

NOTICE is hereby given that the Forty-third Annual General Meeting of the Members of the Company will be held on Monday, the 5th day of August, 2013 at My Fortune Chennai, 10 Cathedral Road, Chennai 600086 at 3 pm to transact the following business: -

1. To consider and adopt the audited Balance Sheet as at 31st March, 2013, 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. Ashish Dalal, 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 consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT subject to the approval of the Central Government pursuant to Section 314(1) and other applicable provisions, if any, of the Companies Act, 1956, consent be and is hereby granted to Mr. Rahul Arora, son of Mr. Nishith Arora (Chairman and Managing Director of the Company), holding an office or place of profit under the Company as the Chief Marketing Officer, from 6th August, 2013 at the remuneration and, upon the terms and conditions contained in the draft Agreement between the Company and Mr. Rahul Arora, placed before this meeting and initialed by a Director of the Company for the purpose of identification."

On behalf of the Board,
Sd/-

Place: Mumbai
Date: 27th May, 2013

Supriya Kumar Guha
Company Secretary

Registered Office:
RR Towers IV, Super A,
16/17 T V K Industrial Estate,
Guindy,
Chennai 600 032

NOTES:

1. **A Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself/herself and the proxy need not be a Member of the Company** (Proxy form enclosed). **The proxy form duly completed and signed must be received at the Registered Office of the Company not less than 48 hours before commencement of the meeting.**
2. An Explanatory Statement in terms of Section 173 (2) of the Companies Act, 1956 in respect to Item No. 4 of the Notice set out above is annexed herewith.
3. The relevant details as required by the clause 49 of the Listing Agreement executed with the Stock Exchanges, of person seeking appointment/ re-appointment as Director under Item No. 2 is contained in Annexure I to the Explanatory Statement.
4. The Register of Members and Share Transfer Books shall remain closed from **Thursday 25th July 2013 till Monday, 5th August, 2013 (both days inclusive).**
5. 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.
6. Members may please note as per Sections 205A (5) and 205C of the Companies Act, 1956, all amounts transferred to the Unpaid Dividend Account of the Company for dividend declared up to the financial year ended December 31, 2005 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 (IEPF). 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, 2006 and any subsequent year(s) are requested to make a claim to the Company.
7. Members 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 RTA.
8. Members holding shares in the demat mode are requested to notify any change of address and change of bank account/ECS particulars to their respective DP and ensure that such changes are recorded by them correctly.
9. For the convenience of Members and for the proper conduct of the meeting, entry to the place of meeting will be regulated by an Attendance Slip, which is annexed to the Proxy Form. Members/Proxies attending the meeting are kindly requested to complete the enclosed Attendance Slip and affix their signature at the place provided thereon and hand it over at the entrance.
10. Members are requested to bring their copies of the Annual Report at the time of attending the meeting.
11. 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 RTA of the Company.
12. 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.
13. 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 / RTA for registration of such transfer of shares.
14. 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 DP and in respect of shares held in physical form with the Company's RTA.

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

Item no. 4

At a meeting of the Board held on 27th May 2012, the Board appointed Mr. Rahul Arora (Mr. Arora), the son of Mr. Nishith Arora, the Chairman & Managing Director of the Company, as Chief Marketing Officer from 6th August 2012, subject to approval of the shareholders in general meeting being obtained by a Special resolution – prior to his appointment. The appointment of Mr. Rahul Arora was upon the terms and conditions contained in the draft Agreement between the Company and Mr. Arora (“the Agreement”). The members at the last Annual General Meeting held on 3rd August 2012 approved the appointment in pursuance of Section 314(1B) of the Companies Act, 1956 by means of a Special resolution. The Agreement in terms of the draft was subsequently entered into by the Company with Mr. Rahul Arora.

The aforesaid appointment attracted the provisions of Section 314 (1B) of the Companies Act, 1956 in view of the fact that Mr. Arora is the son of the Chairman and Managing Director. Pursuant to Section 314(1B), the prior consent of the shareholders in General Meeting by a Special resolution became necessary, his remuneration – not being in excess of ₹30 lakhs per annum.

Considering the business needs of the Company, the management decided to transfer Mr. Arora to United States of America to be responsible for the marketing activities of the Company in USA & Canada and also expand the business in USA & Canada.

Consequent to his transfer to USA, Mr. Arora has duly obtained his employment visa in USA. Considering Mr. Arora’s employment now in USA, he would need to be paid his salary in US dollar. Considering the cost of living and other parameters and also Mr. Arora’s increased responsibilities, the Board of Directors at its meeting held on 27th May 2013 decided to revise Mr. Arora’s remuneration effective from 6th August 2013 not exceeding USD 170,000 pa including performance bonus, as may be decided by the management from time to time.

Since the amount of remuneration proposed to be paid to Mr. Arora would exceed ₹30 lakhs, the prior consent of the shareholders in general meeting and the Central Government would now require to be obtained pursuant to Section 314(1B). The appointment of Mr. Arora to an office or place of profit in the Company at a remuneration exceeding ₹30 lakhs per annum will take effect therefore only after the consent of the shareholders at the forthcoming AGM by a Special resolution is obtained and would be subject to approval of the Central Government. An application for the purpose will be made after the consent of the shareholders is obtained at the ensuing AGM.

The material terms of the draft Agreement referred to in the text of the Special resolution are as follows:

1 REMUNERATION:

Total remuneration shall be USD 14,200 pm equivalent to ₹772,480 pm/- (seven lac seventy two thousand four hundred eighty Only) per month including performance bonus (conversion calculated at USD 1= ₹54.40 being the average of spot rate from April 2012 to March 2013).

2 STATUTORY BENEFITS:

Eligible for the statutory benefits as per USA law.

3 LEAVE AND HOLIDAYS:

As applicable to the employees of his cadre in the Company as per USA law.

4 NOTICE PERIOD:

- 4.1 Employment may be terminated by either party at any time by giving to the other three months' prior written notice or by payment of three months' salary in lieu of such written notice. However, the management reserves the right to relieve Mr. Rahul Arora either earlier than the notice period or only on completion of notice period. The salary payable during notice period shall be calculated on Basic salary only.
- 4.2 In case Mr. Arora relinquishes his employment with the Company without any written notice, the Company shall have the right to deduct three month's salary from any payment including the Bonus that might be due to him from the Company or recover it otherwise, as the case may be.

5 TRANSFER/DEPUTATION:

During the tenure of Mr. Arora's employment, his services are liable to be transferred/deputed from one place to another, one job to another, one department to another, one unit to another, one branch to another, one collaborator's factory/office to another, from one associate company to another and back, to locations/places wherever the Company's interest/s exists whether in India or abroad, existing or future, at the discretion of the management.

6 RETIREMENT:

- 6.1 Mr. Arora will retire from the services of the company on attaining the age of 60 years (sixty years).
- 6.2 At the time of his retirement, the management at their sole discretion may or may not give extension, subject to his being found behaviorally good, work wise efficient and medically fit.

The Board recommends passing of the Special resolution at Item No. 4.

The aforesaid draft Agreement will be available for inspection by Members at the Registered Office of the Company during business hours on any working day except Saturday.

Mr. Nishith Arora, Chairman & Managing Director is interested in the special resolution at Item No. 4; he being the father of Mr. Rahul Arora.

On behalf of the Board

Place: Mumbai
Date: 27th May 2013

Supriya Kumar Guha
Company Secretary

Registered Office:
RR Towers IV, Super A,
16/17 T V K Industrial Estate,
Guindy,
Chennai 600 032

ANNEXURE I

Information pertaining to Directors seeking appointment or re-appointment at the 43rd Annual General Meeting as required by Clause 49 (IV) (G) of the Corporate Governance Guidelines.

Particulars	Mr. ASHISH DALAL
Date of Appointment	28th October, 2010
Qualifications	Mr. Ashish Dalal is a Fellow member of The Institute of Chartered Accountants of India. He was till recently been a partner of Dalal & Shah, Chartered Accountants and of Price Waterhouse & Co, in India. He has been in professional practice since 1982 and has been one of the Managing Partners of Dalal & Shah, Chartered Accountants, prior to the firm becoming a member firm of PwC.
Expertise in specific functional area	<p>Ashish has been actively practicing the professional practice of Assurance, and has also extensively practiced in various fields relating to, Mergers and Acquisitions (swap ratios, schemes and court procedures), Strategic Alliances (conceptualizing, creating alliance framework, alliance documentation and co-ordinate legal reference), Business Valuations (for purposes of mergers, takeovers, sale of stakes, acquisitions, family settlements and marriage breakdowns, collaboration strategies, family wealth distribution, arbitrations and many other circumstances), Specialised Investigations (for statutory purposes, institutional investigations, financial risk assessments), Due Diligences (prior to sellout, takeover, collaborations, vendor initiated reports, overseas investor initiated reports, business combination strategies), Foreign Collaborations & Joint Ventures (conceptualizing term sheets, creating JV agreements, negotiating indemnities and warranties, strategizing efficiency in holding pattern planning, planning efficient routing for tax shields, security and escrow strategies and consummation step planning) and has acted as a domestic counsel for cross border transactions (a counsel for judging effects of a transaction on your domestic turf and guiding through the domestic labyrinth of laws to safeguard interests).</p> <p>Ashish is highly experienced in the skills of devising content for legal / commercial documentations, developing negotiation strategies and participating in related transaction services.</p> <p>Till recently, Ashish has held Indian directorships in Wyeth Limited, Akzo Nobel Chemicals (India) Ltd., ICICI Investment Management Co. Ltd., Financial Technologies (India) Ltd, Multi Commodity Exchange of India Ltd and Nitesh Estates Limited, and on most of the Boards has been the 'Audit Committee Chairman'. Currently, in India, Ashish is on the Advisory Board of the Piramal Group company – Indiareit Fund Advisors Pvt Ltd.</p>
Directorships held in other Public Companies (excluding foreign companies)	NIL
Membership/ Chairmanships of Committees of other public companies (includes only Audit Committee (AC) and Shareholders/ Investors Grievance Committee(SGC))	Audit Committee & Shareholders Grievance Committees of – MPS LIMITED
Shareholding in the Company (No. of shares)	NIL

On behalf of the Board

Place: Mumbai
Date: 27th May 2013
Registered Office:
RR Towers IV, Super A, 16/17 T V K Industrial Estate, Guindy
Chennai 600032

Supriya Kumar Guha
Company Secretary