

KEY INFORMATION

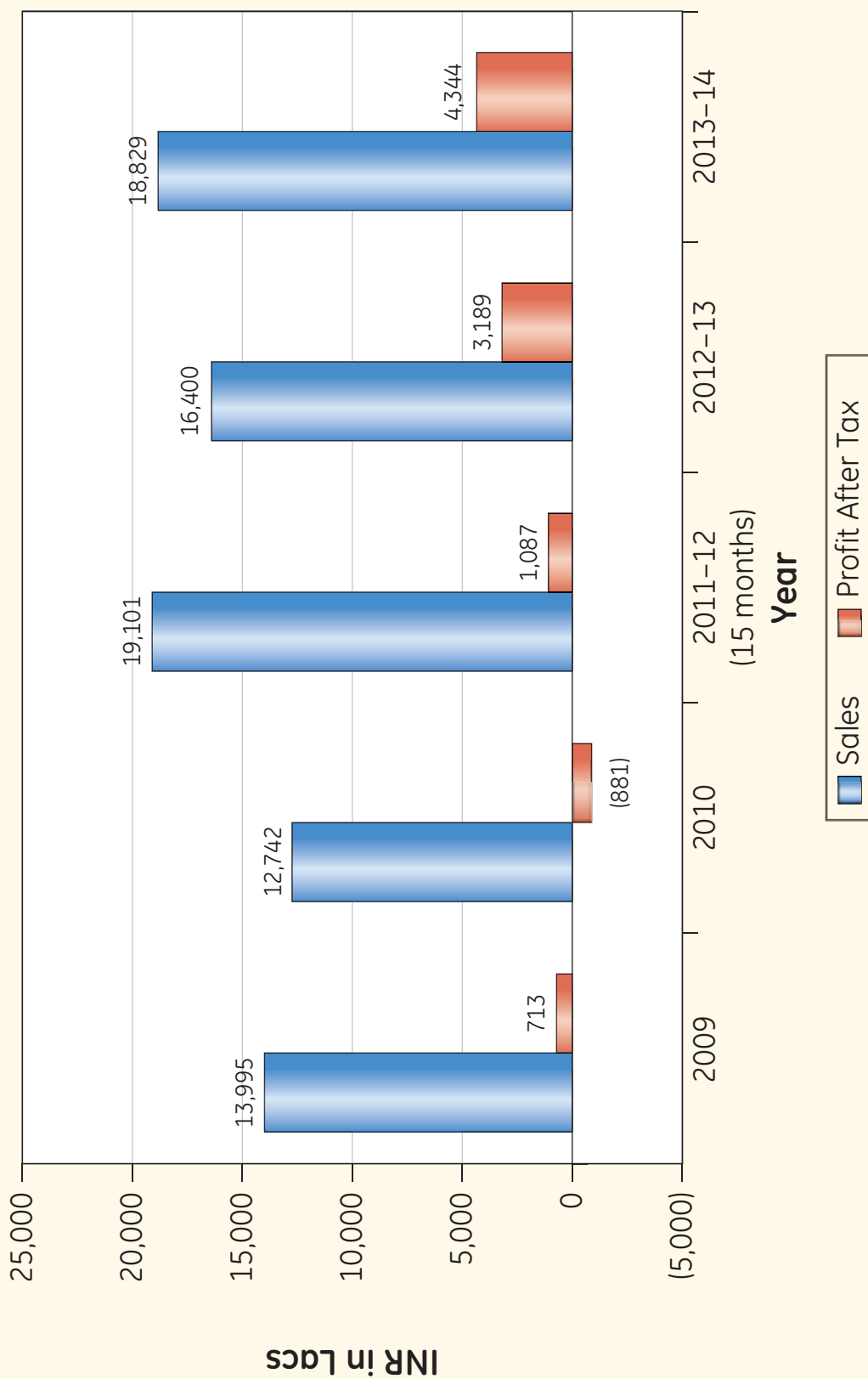
BOARD OF DIRECTORS

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Chairman & Managing Director	Mr. Nishith Arora
Vice Chairman & Independent Director	Mr. D. E. Udhwadia
Independent Director	Mr. Ashish Dalal
Independent Director	Mr. Vijay Sood
Chief Marketing Officer & Whole Time Director	Mr. Rahul Arora
Company Secretary	Mr. Supriya Kumar Guha
Chief Financial Officer	Mr. Sunit Malhotra
Legal Advisors	Messrs Udhwadia 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 340 Udyog Vihar, Phase IV, Gurgaon, Haryana 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 97214, USA
Subsidiary	MPS North America LLC 5750 Major Blvd. Suite 100, Orlando FL 32819 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	2009	2010	15 months 2011-12	2012-13	2013-14
Sales & Earnings						
Total Income (inclusive of Other Income)		14,274	13,643	19,773	16,898	19,496
Profit before depn & tax		1,502	(302)	2,524	4,731	7,100
Profit before tax		869	(969)	1,456	3,995	6,595
Profit after tax		749	(968)	1,078	3,114	4,354
Deferred tax liability/asset		36	(87)	(9)	(75)	10
Balance profit after tax		713	(881)	1,087	3,189	4,344
Dividend paid including tax on dividend		197	-	782	1,955	3,346
Retained earnings		516	(881)	305	1,234	999
Capital Employed						
Fixed assets						
- Gross including CWIP & Capital Advance		6,565	8,852	8,072	7,746	7,545
- Less: Depreciation Reserve		(3,477)	(5,150)	(5,422)	(5,570)	(5,657)
- Net Fixed Assets		3,088	3,702	2,650	2,176	1,888
Investments		4,320	-	1,220	1,773	2,801
Deferred tax assets		-	-	-	66	56
Non-current assets		-	-	1,485	1,816	2,093
Net current assets (working capital)		3,616	4,127	1,868	2,455	2,434
Misc. expenditure not written off		-	-	-	-	-
Total		11,025	7,830	7,224	8,286	9,272
Represented by						
Networth		10,849	6,726	7,031	8,265	9,263
Borrowings - secured		71	1,086	51	12	2
Other long-term liabilities		-	-	134	9	7
Deferred tax liability		105	18	9	-	-
Total		11,025	7,830	7,224	8,286	9,272
Ratios						
Measures of Performance						
PBT to Total income	%	6%	-7%	7%	24%	34%
PAT to Total income	%	5%	-6%	5%	19%	22%
Employee cost to Total Income	%	54%	62%	54%	46%	40%
Net fixed assets to Networth	%	28%	55%	38%	26%	20%
Fixed assets usage	Times	4.62	3.68	7.46	7.76	10.33
Measures of Investments						
Return on Networth	%	7%	-13%	15%	39%	47%
Earnings per share	Rs.	4.24	(5.24)	6.46	18.96	25.82
Dividend payout ratio	%	28%	0%	72%	61%	77%
Dividend coverage ratio	Times	3.62	-	1.39	1.63	1.30
Measures of Financial Status						
Current ratio	Unit	1.71	1.87	1.97	2.28	2.72
Debt equity ratio	Unit	0.01	0.16	0.01	0.00	0.00
WIP holding (on sales)	Days	31.87	32.22	17.68	19.80	15.17
Other information						
Contribution to exchequer	Rs.	70.39	123.57	206.89	848.62	1,914.49
Employee						
- Cost	Rs.	7,730	8,403	10,687	7,712	7,807
- Numbers	Nos.	2,639	2,713	2,143	2,331	2,725
Number of shareholders	Nos.	9,187	8,505	7,525	6,604	6,737
Dividend (including Interim dividend)	%	10%	0%	40%	100%	170%
Book value = net worth per share	Rs.	64.49	39.98	41.79	49.13	55.06

For the Financial Year 2011-12, 2012-13 and 2013-2014 net current assets are classified as per revised schedule VI prescribed under Companies Act, 1956. Previous Year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

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-fourth Annual General Meeting of the Members of the Company will be held on Friday, August 8, 2014 at My Fortune Chennai, 10 Cathedral Road, Chennai 600086 at 10:30 am to transact the following business: -

1. To consider and adopt the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss 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. Nishith Arora (DIN 00227593), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, Delhi (Firm registration no. 015125N) 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, since Deloitte Haskins & Sells, Chartered Accountants, Chennai (firm registration no. 008072S) expressed their unwillingness to continue as Statutory Auditors of the Company and authorize the Board of Directors to fix their remuneration.

Special Business

4. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Rahul Arora (DIN 05353333) who was appointed as an Additional Director of the Company by the Board of Directors effective from August 12, 2013 pursuant to Section 260 of the Companies Act, 1956 (corresponding to Section 161 (1) of the Companies Act, 2013) and Article 125 of the Articles of Association and whose term expires at the Annual General Meeting and in respect of whom the Company has received notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

"RESOLVED FURTHER THAT pursuant to Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 (corresponding to Sections 198, 309, 310 read with Schedule XIII to the Companies Act, 1956) and subject to the requisite approval of the Central Government, consent of the Company be and is hereby accorded to the appointment of Mr. Rahul Arora (DIN 05353333) as Whole Time Director and Chief Marketing Officer of the Company for a period of 5 (five) years effective from August 12, 2013, on the terms and conditions of appointment and remuneration as contained in the draft agreement(s), copy of which duly initialed for the purpose of identification by Mr. Vijay Sood, Director, placed before the meeting and that the Board of Directors be and is hereby also authorized to alter and vary the terms of appointment and remuneration so as not to exceed the limit specified under Section 197 read with Schedule V of the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956) and as may be agreed to by the Board of Directors and Mr. Rahul Arora.

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Sections 149, 150 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, approval be and is hereby granted to the appointment by the Board of Directors of the Company at its meeting on May 22, 2014 of Mr. Darius E Udvardia (holding DIN 00009755), a Director of the Company as an Independent Director to hold office for a term of five consecutive years from May 22, 2014."

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Sections 149, 150 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, approval be and is hereby granted to the appointment by the Board of Directors of the Company at its meeting on May 22, 2014 of Mr. Ashish Dalal (holding DIN 00024632), a Director of the Company as an Independent Director to hold office for a term of five consecutive years from May 22, 2014."

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Sections 149, 150 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, approval be and is hereby granted to the appointment by the Board of Directors of the Company at its meeting on May 22, 2014 of Mr. Vijay Sood (holding DIN 01473455), a Director of the Company as an Independent Director to hold office for a term of five consecutive years from May 22, 2014."

8. To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of sub section (1) of Section 188 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013, if any (including any statutory modification(s) or re-enactment thereof for the time being in force and corresponding to sub section (1) of Section 314 of the Companies Act, 1956), consent be and is hereby granted for appointment of Mrs. Yamini Tandon, wife of Mr. Rahul Arora, Whole Time Director and daughter-in-law of Mr. Nishith Arora, Chairman and Managing Director of the Company holding an office or place of profit under the Company as Vice President – Service Delivery, from February 17, 2014 at the remuneration and, upon the terms and conditions contained in the draft Agreement between the Company and Mrs. Yamini Tandon, placed before this meeting and initialed by Mr. Vijay Sood, Director of the Company for the purpose of identification."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company be and is hereby amended as follows:

Article 161 be replaced by the following new Article:

"The Board may elect a Chairman from amongst its members. The Chairman so elected may also be the Managing Director of the Company. The Chairman shall preside at all meetings of the Board and Annual General Meetings and Extra-Ordinary General Meetings. If no Chairman is elected or if at any meeting of the Board the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be the Chairman of such meeting."

On behalf of the Board,
Sd/-

Supriya Kumar Guha
Company Secretary

Place: Mumbai
Date: May 22, 2014

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).

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

2. An Explanatory Statement in terms of Section 102 of the Companies Act, 2013 in respect of the special business 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 persons seeking appointment/ re-appointment as Directors forms integral part of the notice and is contained in Annexure to the Explanatory Statement.
4. The Register of Members and Share Transfer Books shall remain closed from **Thursday, July 31, 2014 till Friday, August 8, 2014 (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 that 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, 2006 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, 2007 and any subsequent year(s) are requested to make a claim to the Company.
7. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2006, as on the date of the 43rd Annual General Meeting (AGM) held on August 5, 2013, on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the Website of the Company viz. www.adi-mps.com.
8. Members are advised to avail of the Electronic Clearing Service (ECS) facility for dividends that may be declared. To avail of this facility, those Members holding shares in physical form, are requested to contact the Company's Registrar & Share Transfer Agents viz, Cameo Corporate Services Limited (RTA), Subramanian Building, 1, Club House Road, Chennai-600 002. Members holding shares in demat mode are requested to provide the details to National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as the case may be, through their respective Depository Participant (DP).
 - i. 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.
 - ii. 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.
 - iii. 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.
 - iv. Members are requested to bring their copies of the Annual Report at the time of attending the meeting.
 - v. 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.
 - vi. 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.
 - vii. 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.
 - viii. 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.
 - ix. Electronic copy of the Notice of the 44th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 44th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
 - x. Members may also note that the Notice of the 44th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.adi-mps.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's Registrars M/s Cameo Corporate Services Limited.
 - xi. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 44th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for members for voting electronically are as under:**In case of members receiving e-mail:**

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field.

In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. # Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

9. The e-voting period commences on July 29, 2014 (9:00 am) and ends on July 31, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date July 11, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
10. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date July 11, 2014.
11. Mr. R Sridharan, Company Secretary (Membership No. FCS 4775) of R Sridharan & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
12. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
13. The Results shall be declared on the day of the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.adi-mps.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

ANNEXURE 1

Details of Director seeking appointment

Mr. Nishith Arora joined the Board on December 7, 2011 and was appointed as a Managing Director effective from April 19, 2012. The said appointment was approved by the Members at the Annual General Meeting held on August 4, 2012. Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with Article 139 of the Articles of Association of the company effective from April 1, 2014, for the purpose of determining the directors liable to retire by rotation, the Independent directors shall not be included in the total number of directors of the Company. Mr. Nishith Arora shall accordingly retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The other details of Mr. Nishith Arora pursuant to Clause 49 of the Listing Agreement are given below:

Name	Mr. Nishith Arora
Date of Appointment	December 7, 2011
Qualifications	B.A. (Hons) Economics, Delhi University, PGDM, IIM Ahmedabad. Also completed the 3-year Owner President Management program at Harvard Business School in 2009.
Expertise in specific functional area	Mr. Arora is an entrepreneur based in India with long years of experience in international and domestic outsourcing. Founder of International Typesetting and Composition (subsequently sold and renamed as Glyph) and ADI BPO/Neuetype, he is also a co-founder of ADI Media Private Limited, a leading B2B magazine publisher.
Directorships held in other Public Companies (excluding foreign companies)	ADI BPO Services Ltd. ADI Media Private Ltd.
Membership/ Chairmanships of Committees of other public companies (includes only Audit Committee (AC) and Shareholders/Investors Grievance Committee(SGC))	NIL
Shareholding in the Company (No. of shares)	NIL

Details of Directors seeking appointment

Particulars	D.E. Udwadia	Ashish Dalal	Vijay Sood	Rahul Arora
Date of Appointment	November 29, 1994	October 29, 2010	January 17, 2012	August 12, 2013
Qualifications	<p>Mr. Darius E Udwadia is a post graduate from University of Bombay. He is an Advocate and Solicitor of the Bombay High Court. He is also a Solicitor of the Supreme Court of England.</p> <p>Mr. Udwadia was a partner of Crawford Bayley & Co., Mumbai, one of the India's leading law firms for nearly 22 years. He is a founder partner of Udwadia & Udeshi, Advocates and Solicitors, Mumbai. Consequent upon the reconstitution of the firm, its name was changed to Udwadia Udeshi & Argus Partners effective 1st April 2012. His firm and he are legal advisors to several Indian and multinational companies and foreign banks having a presence in India.</p>	Fellow member of Institute of Chartered Accountants of India.	B.A. (Hons) Economics, Delhi University, PGDM, IIM Ahmedabad, Associate Member, Institute of Cost Accountants of India, AMP, The Wharton School.	BS, PGDBM (Indian School of Business)

(contd.)

Details of Directors seeking appointment (contd.)

Particulars	D.E. Udawadia	Ashish Dalal	Vijay Sood	Rahul Arora
Date of Appointment	November 29, 1994	October 29, 2010	January 17, 2012	August 12, 2013
Expertise in specific functional area	<p>Mr. D E Udawadia has during his nearly 51 years of active law practice acquired valuable knowledge, experience and expertise in the areas of corporate law, mergers, acquisitions and takeovers, corporate restructuring foreign collaboration, joint ventures, project and infrastructure finance, intellectual property, international loans and finance related transactions and financial instruments, mutual funds, real estate and conveyancing.</p>	<p>Mr. Ashish Dalal 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. He 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, collaboration strategies, family wealth distribution, arbitrations etc., specialized Investigations (for statutory purposes), institutional investigations, financial risk assessments), Due Diligences, 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>Mr. Ashish Dalal had earlier held 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. Currently, he is on the Advisory Board of the Piramal Group company – Indiareit Fund Advisors Pvt Ltd.</p>	<p>Mr. Vijay Sood earlier worked in reputed firms like Renaissance Services SAOG, Credit Agricole Indosuez, WI Carr Indosuez, HSBC India and ANZ Grindlays India etc.</p>	<p>Mr. Rahul Arora is currently Chief Marketing officer of the Company. He is focused on leading the organization toward its marketing mission – relentless pursuit of customer delight.</p> <p>He has had an entrepreneurial career that started after his undergraduate days at Babson College, USA. After his entrepreneurial stint at Babson, he successfully led the transformation of his family's print-restricted publishing business to a larger, professionally driven B2B media business.</p> <p>Mr. Rahul Arora was responsible for leading and significantly growing some of Gallup's most innovative consulting partnerships in the Asia Pacific region. Within the limited time he spent at Gallup, he was recognized for his achievements with accolades such as Rising Star in India and Most Valuable Player in the 2011 global cohort of new hires.</p>

(contd.)

Details of Directors seeking appointment (contd.)

Particulars	D.E. Udawadia	Ashish Dalal	Vijay Sood	Rahul Arora
Date of Appointment	November 29, 1994	October 29, 2010	January 17, 2012	August 12, 2013
Directorships held in other Public Companies (excluding foreign companies)	1. ABB Ltd 2. AstraZeneca Pharma India Ltd 3. The Bombay Burmah Trading Corporation Ltd 4. ITD Cementation India Ltd 5. JM Financial Ltd 6. WABCO India Limited 7. IRD Mechanalysis Ltd 8. Wyeth Ltd	Nil	1. Taurus Asset Management Company Limited 2. HB Stock Holdings Limited 3. Apical Capital Advisors Private Limited	ADI BPO Services Limited
Membership/ Chairmanships of Committees of other public companies (includes only Audit Committee (AC) and Shareholders/ Investors Grievance Committee(SGC))	AC and SGC of: 1. ABB Ltd ACs of: 2. AstraZeneca Pharma India Ltd 3. The Bombay Burmah Trading Corporation Ltd 4. ITD Cementation India Ltd 5. JM Financial Ltd 6. WABCO India Ltd 7. IRD Mechanalysis Ltd 8. Wyeth Ltd	NIL	AC of: Taurus Asset Management Company Limited.	NIL
Shareholding in the Company (No. of shares)	NIL	NIL	9,731 shares	NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 RELATING TO THE SPECIAL BUSINESS

Item no. 4

The ordinary resolution under item no. 4 is in two parts – first appointment of Mr. Rahul Arora as a Director of the Company and second for approval of the terms and conditions and remuneration as a Whole Time Director.

Mr. Rahul Arora, the Chief Marketing Officer of the Company was appointed as an Additional Director and Whole Time Director of the Company effective from August 12, 2013 for a period of 5 (five) years, whose office is liable to retire by rotation. Mr. Rahul Arora is Science Graduate from Babson College, USA and a Post Graduate in Management from Indian School of Business. Mr. Rahul Arora has experience in Marketing, Strategy and related activities. The details of Mr. Arora are given in annexure 1.

Mr. Rahul Arora as an Additional Director holds office till the conclusion of the ensuing Annual General Meeting. A notice has been received from a member proposing to appoint Mr. Arora as a Director of the Company. The Board considering Mr. Rahul Arora's expertise considers his continued association with the Company to be of immense benefit and is desirable for him to continue on the Board.

Mr. Rahul Arora was appointed as Whole Time Director, while he was situated in USA. Thereafter, effective from February 1, 2014, he is based out of India consequent to expiry of his USA Visa. He is likely to return to USA, on receipt of his getting required USA visa, application for which has already been filed.

Mr. Rahul Arora's principal terms of appointment including remuneration in USA are given below:

- RENUMERATION**
Mr. Rahul Arora's base salary will be USD 9500 (Nine Thousand and Five Hundred US Dollars) per month, aggregating to USD 114,000 (One Hundred and Fourteen Thousand US Dollars) per annum, with such annual increments as the Board of Directors of MPS Ltd. may at its discretion decide.
He will be eligible for a Performance Bonus in accordance with the Company's "Performance Linked Bonus Scheme" (PLB) (based on his appraisal) up to USD 36,000 per annum, as the Board may at its discretion determine.
- PAYMENT OF MINIMUM REMUERATION**
In case of loss or inadequacy of profits of the Company in any financial year, the remuneration payable to him shall be subject to the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956.
- EMPLOYEE BENEFITS**
Mr. Rahul Arora will be entitled to all employee benefits as per US law applicable to other employees of the US branch including Insurance and Leave, which in aggregate shall not exceed USD 20,000.
- TAXATION**
Mr. Rahul Arora will be responsible for payment of all taxes in USA relating to his employment.
- TRANSFER/DEPUTATION**
During the tenure of Mr. Rahul 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 sole discretion of the Management.

6. TERMINATION

Mr. Rahul Arora may terminate his employment with MPS Ltd. at any time and for any reason whatsoever simply by notifying the Company in writing. Likewise, the Company may terminate his employment at any time and for any reason whatsoever, with or without cause or advance notice.

7. CESSATION OF DIRECTORSHIP

Mr. Rahul Arora will ipso facto cease to be a Director on termination of the agreement or expiration of this contract, unless renewed in writing.

8. DIRECTORS DISQUALIFICATION

In the event Mr. Rahul Arora becomes disqualified as a Director for any reason other than an inadvertent breach of the provisions of Section 283 of the Companies Act, 1956, or failure through inadvertence or oversight to secure leave of absence from Meetings of Directors (in either of which later events he may be re-appointed as a Whole Time Director), he will ipso facto vacate the position of Whole Time Director.

In view of Mr. Rahul Arora's appointment as Whole Time Director the Board of Directors decided not to proceed further with the application for approval of the Central Government under Section 314 of the Companies Act, 1956 even though the approval of Shareholders was obtained through a special resolution.

An abstract of the terms and conditions and Memorandum of Interest as required under Section 302 of the Companies Act, 1956 has already been circulated to the Shareholders.

Mr. Rahul Arora was appointed Whole Time Director while he was situated in USA. Thereafter, effective from February 1, 2014 he has been based in India, consequent to expiry of his USA visa. The above remuneration is therefore for the period from August 12, 2013 till January 31, 2014. He is likely to return to USA after getting the required USA visa and thereafter he will continue to draw the above remuneration.

While working from India, Mr. Rahul Arora will be entitled to the following remuneration effective from February 1, 2014:

1. Remuneration payable to Mr. Rahul Arora while working from India:
2. Salary: Rs. 215, 688 per month aggregating to Rs. 25,99,000 including Leave Travel Assistance) with such increments as the Board may at its discretion determine;
3. Drivers salary, Petrol reimbursement and Food pass reimbursements per month Rs. 23,500 per month aggregating to Rs. 282,000 per annum at present as per rules of the Company;
4. Annual Fixed Bonus Rs. 234,200 per annum to be paid as per rules of the Company;
5. Aggregate perquisites Rs. 236,452 per annum at present including contribution to Provident Fund, Gratuity Fund and car perquisite value as per rules of the Company;
6. Annual Performance Bonus Rs. 16,00,000 per annum or such amount as the Board may at its discretion decide.
7. Total aggregate remuneration of Rahul Arora will be Rs. 49,51,692 at present and will be subject to review year on year as may be determined by the Board.
8. Termination: 3 (three) months notice in writing.

Income tax, if any, on or in respect of the aforesaid remuneration shall be borne and paid by him.

All other terms and conditions of Mr. Rahul Arora's appointment remain unaltered.

Provided that the total amount of remuneration payable to Mr. Rahul Arora shall not exceed 5% of the net profits of the Company pursuant to the provisions of Sections 197, 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII).

Copy of the draft letter appointing Mr. Rahul Arora, as a Whole Time Director would be available for inspection at the registered office of the Company during business hours on any working day, excluding Saturday. The Board recommends the Ordinary Resolution set out at item no. 4 of the accompanying Notice for the approval of the Members. Mr. Rahul Arora does not hold any shares in the Company.

Except Mr. Nishith Arora, Chairman & Managing Director, being the father of Mr. Rahul Arora, none of the Directors and Key Managerial Personnel of the Company and their relatives, except Ms. Yamini Tandon, Vice President – Service Delivery and wife of Mr. Rahul Arora and daughter in law of Mr. Nishith Arora is concerned or interested in the resolution set out at item no. 4.

Item no. 5

Mr. Darius E. Udhwadia (Mr. Udhwadia) is a Non-Executive Independent Director of the Company. He was appointed on the Board in 1994 and thereafter has been retiring and reappointed on the Board, last reappointment being at the AGM held in 2012. Mr. Udhwadia is a member of the Audit Committee and Nomination and Remuneration Committee of the Board. He is also an eminent lawyer and is a Solicitor and Advocate of the Bombay High Court. He is also a Solicitor of the Supreme Court of England.

Apart from being a leading lawyer, he has been associated with many reputed organizations for the last 3 decades. The details of Mr. Udhwadia are given in Annexure 1. Mr. Udhwadia was appointed as an Independent Director of the Company at the meeting of the Board of Directors held on May 22, 2014 pursuant to Sections 149, 150 and other applicable provision of the Companies Act, 2013 subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting for a term of 5 (five) consecutive years from May 22, 2014.

The Board is of the opinion that Mr. Udhwadia fulfils the conditions specified in Sections 149, 150 and Schedule IV to the Companies Act, 2013 and the rules made thereunder for appointment of an Independent Director of the Company. Copy of the draft letter appointing Mr. Udhwadia as an Independent Director would be available for inspection at the registered office of the Company during business hours on any working day, excluding Saturday. Considering Mr. Udhwadia's varied experience the Board considers his continued association with the Company as an Independent Director to be of immense benefit. The Board recommends passing the resolution as proposed. Mr. Udhwadia does not hold any shares in the Company.

Except Mr. Udhwadia none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at item no. 5.

Item no. 6

Mr. Ashsih Dalal (Mr. Dalal) is a Non-Executive Independent Director of the Company. He was appointed on the Board in 2010 and thereafter have been retiring and being reappointed in the Board, last reappointment being at the AGM held in 2013. Mr. Dalal is a member of the Stake Holders Relationship Committee and Nomination and Remuneration Committee of the Board. He is also an eminent Chartered Accountant. He was earlier partner of Dalal& Shah, Chartered Accountants and also partner of Price Waterhouse, Chartered Accountants. He also advises various other corporate in an advisory capacity. He was earlier Board member of many reputed companies like Akzo Nobel Chemicals (India) Ltd., ICICI Investment Management Co. Ltd., Multi Commodity Exchange of India Ltd, Nitesh Estates Limited etc.

The details of Mr. Dalal are given in Annexure 1. Mr. Dalal was appointed as an Independent Director of the Company at the meeting of the Board of Directors held on May 22, 2014 pursuant to Sections 149, 150 and other applicable provision of the Companies Act, 2013 subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting for a term of 5 (five) consecutive years from May 22, 2014.

The Board is of the opinion that Mr. Dalal fulfils the conditions specified in Sections 149, 150 and Schedule IV to the Companies Act, 2013 and the rules made thereunder for appointment of an Independent Director of the Company. Copy of the draft letter appointing Mr. Dalal as an Independent Director would be available for inspection at the registered office of the Company during business hours on any working day, excluding Saturday. Considering Mr. Dalal's varied experience the Board considers his continued association with the Company as an Independent Director to be of immense benefit. The Board recommends passing the resolution as proposed. Mr. Dalal does not hold any shares in the Company.

Except Mr. Dalal none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at item no. 6.

Item no. 7

Mr. Vijay Sood (Mr. Sood) is a Non-Executive Independent Director of the Company. He was appointed on the Board as an Additional Director in 2012 and reappointed in the Board at the AGM held in 2012. Mr. Sood is Chairman of the Audit Committee and member of the Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Board. Mr. Sood is Graduate in Economics from Delhi University, a Cost Accountant and also MBA from IIM, Ahmedabad. He has earlier worked for various reputed corporate(s) and presently the Managing Director of HB Holdings Limited.

The details of Mr. Sood are given in Annexure 1. Mr. Sood was appointed as an Independent Director of the Company at the meeting of the Board of Directors held on May 22, 2014 pursuant to Sections 149, 150 and other applicable provision of the Companies Act, 2013 subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting for a term of 5 (five) consecutive years from May 22, 2014.

The Board is of the opinion that Mr. Sood fulfils the conditions specified in Sections 149, 150 and Schedule IV to the Companies Act, 2013 and the rules made thereunder for appointment of an Independent Director of the Company. Copy of the draft letter appointing Mr. Sood as an Independent Director would be available for inspection at the registered office of the Company during business hours on any working day, excluding Saturday. Considering Mr. Sood's varied experience the Board considers his continued association with the Company as an Independent Director to be of immense benefit. The Board recommends passing the resolution as proposed. Mr. Sood holds 9,731 shares of the Company.

Except Mr. Sood none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at item no. 7.

Item no. 8

The Board of Directors at its meeting held on February 14, 2014, appointed Ms. Yamini Tandon, wife of Mr. Rahul Arora, Whole Time Director and daughter-in-law of Mr. Nishith Arora, the Chairman & Managing Director of the Company, as Vice President- Service Delivery effective from February 17, 2014, upon the terms and conditions contained in the draft Agreement between the Company and Ms. Yamini Tandon ("the Agreement") referred to in the special resolution at Item No. 8 of the Notice, subject to the approval of the members in general meeting pursuant to the provisions of sub section (1) of Section 314 of the Companies Act, 1956.

Section 314(1) of the Companies Act, 1956 ("the Act") inter alia, provided that except with the consent of the company by a special resolution, no relative of a Director of a company shall hold any office or place of profit under the company carrying a total monthly remuneration of not less than Rs. 50,000/-. Since Ms Yamini Tandon's monthly remuneration would not be less than Rs. 50,000 /- she would be holding an office or place of profit under the Company by virtue of the said sub section (1) of Section 314 requiring the consent of the Company in General Meeting. With clause (f) of sub section (1) of Section 188 of the Companies Act, 2013 coming into force from April 1, 2013 corresponding to sub section (1) of Section 314 of the Companies Act, 1956 and the rules made there under, a special resolution at Item No. 8 of the Notice has been proposed for the approval of the members.

The material terms of the Agreement with Ms Yamini Tandon (Ms Tandon) are as follows:

1. REMUNERATION:

Ms Tandon's total annual remuneration shall be Rs. 29,53,380/- (Twenty Nine Lacs fifty three thousand three hundred eighty Only) including an Annual Performance Bonus of Rs. 300,000 (three lacs).

2. STATUTORY BENEFITS:

Ms Tandon will be eligible for the statutory benefits viz., Provident Fund and Gratuity, as per the applicable laws in India.

3. LEAVE AND HOLIDAYS:

Ms Tandon will be entitled and eligible to avail of such leave per annum as applicable to the employees of her cadre in the Company.

4. **NOTICE PERIOD:**

- 4.1 Ms Tandon's employment may be terminated by either party by giving three months' prior written notice or by payment of three months' basic salary in lieu of such written notice. However, the management reserves the right to relieve her 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 Ms Tandon relinquishes her 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 may be due to her from the Company or recover it otherwise, as the case may be.

5. **TRANSFER/DEPUTATION:**

During the tenure of Ms Tandon's employment, her 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, 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. **GENERAL TERMS:**

- 6.1 Ms Tandon will be governed by the service rules and regulations of the company that are in force during her employment with the Company, subject to revision from time to time.
- 6.2 Ms Tandon will devote her full time and attention to the services of the Company and discharge the duties assigned to her, faithfully and honestly, from time to time and she will not indulge in any business prejudicial to the interests of the Company in any manner whatsoever.
- 6.3 Ms Tandon will not engage herself, directly or through an agent, in any work, business, profession or employment either honorary or otherwise, which is competitive in nature to the business of the Company during the period of her employment with the Company.
- 6.4 Ms Tandon will not disclose, divulge or publish to any person/institution any information regarding the design, process, inspection, marketing techniques, trade secret, know-how and any other information related to our production process and other related functions to any person/company during her employment with the Company or thereafter.
- 6.5 In case any information furnished by Ms Tandon, at the time of appointment, i.e., her qualification, previous experience, employment, salary or any other information is found and proved to be incorrect/false, her services will be liable for dismissal/any other action, as may be deemed fit by the management.
- 6.6 Ms Tandon's appointment and continuation in employment is subject to her medical fitness. The management reserves the right to get her examined/re-examined by any registered medical practitioner/surgeon/ physician of any hospital, whose advice shall be final and binding on her.
- 6.7 Ms Tandon will be responsible for all the activities assigned to her in the section/department/division from time to time.

The management reserves the right to terminate Ms Tandon's services with/without any notice or with/without any compensation if she is found to have indulged in acts prejudicial to the Company's interest and/or any acts contrary to the rules and regulations of the Company or to the general discipline and/or on account of loss of confidence in her.

7. **RETIREMENT:**

- 7.1 Ms Tandon will retire from the services of the company on attaining the age of 60 years (sixty years).

7.1.1 At the time of Ms Tandon's retirement, the management at their sole discretion may or may not give extension, subject to her being found behaviorally good, work wise efficient and medically fit.

The Board recommends passing of the resolution at Item No. 8.

The aforesaid 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 and Mr. Rahul Arora, Whole Time Director are interested in the special resolution at Item No. 8, being the father-in-law and husband respectively of Ms Yamini Tandon. None of the other Director or Key Managerial Person or their relatives is interested or concerned in the resolution.

Item no. 9

The Companies Act, 2013 has specified that the Articles of Association must have a provision that the Managing Director can be appointed as Chairman of the Board. The Company has a Chairman and Managing Director and accordingly Article 161 needs to be amended to specifically include that the Managing Director can also be appointed Chairman of the Board. The Special Resolution in item no. 9 sets out the Article that need to be amended/alterd pursuant to Section 14 of the Companies Act, 2013.

The Board recommends the passing of the Special Resolution. None of the Directors, except Mr. Nishith Arora, Chairman and Managing Director and Key Managerial Personnel of the Company or their relatives, except Mr. Rahul Arora, Whole Time Director and Ms Yamini Tandon, Vice President – Service Delivery is concerned or interested in the Special Resolution set out in item no. 9.

A copy of the Memorandum & Articles of Association of the Company together with the proposed alterations would be available for inspection by the members at the Registered Office of the Company during business hours on any working day excluding Saturday till the date of the Annual General Meeting.

On behalf of the Board,
Sd/-

Supriya Kumar Guha
Company Secretary

Place: Mumbai
Date: May 22, 2014

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

REPORT OF THE BOARD OF DIRECTORS

The Directors are pleased to present the **Forty-fourth Annual Report** together with the Accounts for the year ended March 31, 2014.

The profit for the year ended is as under:

Accounts	INR in Lacs	
	For the year ended 31.03.2014	For the year ended 31.03.2013
Profit for the year after depreciation and taxation	4,344.44	3,189.02
Surplus brought forward from previous year	6,154.77	5,239.83
Total	10,499.21	8,428.85
Adjustments/Appropriations:		
Interim Dividend Paid	2,859.85	1,682.27
Tax on interim dividend	486.03	272.91
Transfer to General Reserve	434.44	318.90
Surplus carried forward	6,718.89	6,154.77
Total	10,499.21	8,428.85

Dividend

The Board declared 1st Interim Dividend of Rs. 5 per share on August 5, 2013 followed by a second Interim Dividend of Rs. 5 per share on November 13, 2013 and a third interim dividend of Rs. 7 per share on February 14, 2014. The aggregate of dividend paid for the year was Rs. 17 per share (previous year Rs 10 per share) and the total cash outflow (including dividend distribution tax thereon) was Rs 33.46 crores for 2013-14 as against Rs. 19.55 crores for the previous year. The total distribution of profit after tax as dividend for the current year stands at 77.01%. The above is the final dividend declared by the Company.

Progress of the Business

Revenue from Operations for the year ended March 31, 2014 was Rs 188.29 crores as against Rs 164 crores for the previous year. The Profit after Tax was Rs. 43.44 crores and EPS Rs 25.82 as against Rs 31.89 crores and Rs. 18.96 per share respectively for the previous year ended March 31, 2013.

The Company's effort to expand operations in Tier II cities continued during the year that resulted in achieving lower staff costs. Strong focus remained on cost optimization with low value added work being outsourced. Company's marketing operations were further strengthened with the induction of senior resource for customer relationship management. Price pressure on sales continued during the year though it was partly compensated by higher volume from the customers.

During the year the Company through its subsidiary MPS North America LLC acquired the assets of Element LLC through a court approved process. This acquisition has now given the Company a foothold in full-service editorial, design and production services to the educational publishing market with expertise in developing turn-key solutions for print and online products and developing content and products for learners of all ages in a broad range of curriculum and subject, with specialization in pre kindergarten and Kindergarten to Standard XII market sectors. The business so acquired will enhance the Company's presence in the US educational publishing market.

Subsidiary

The Company's subsidiary MPS North America LLC (MPSNA) was incorporated in the State of Florida on May 29, 2013. The revenue for the period ended March 31, 2014 was USD 1.45 million. The employee cost during the period was USD 1.05 million and other costs were USD 696 thousand, resulting in a pretax loss of USD 305 thousand and after tax adjustment a loss of USD 190 thousand.

MPSNA has broken even from March 2014 with increased revenue and proper manpower planning. Barring unforeseen circumstances, MPSNA will start generating surplus from the current year 2014-15.

Shifting of registered office

The members will recall that a special resolution for shifting of the registered office was passed in May 2013. Following the passing of the special resolution, application has been filed with Regional Director, Chennai for approval for shifting of the registered office to National Capital Territory, Delhi. The matter is yet to be heard by the Regional Director.

Outlook

The Company has embarked on expanding its client base by strengthening the marketing organization to meet the changing marketing dynamics. While economies will be sought by major clients, an emphasis on improving operating efficiencies, automating processes for higher productivity and close customer interface for volume growth is likely to offset their impact on the company's financial performance. The challenge as always will be to increase the top line in foreign currency terms.

As publishers continue to evolve their digital strategy, the Company is in a good position to exploit the upside in digital business and barring unforeseen circumstances, will be able to cater to the entire value chain of the publishing services domain. Your Company is well positioned to provide flexibility to clients to select upstream and downstream services from existing service relationship.

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

Overall Company Strategy

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 including e-Pub 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-go

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 being 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 Rs188.06 crores as against Rs163.89 crores for the previous year ended March 31, 2013. Foreign exchange outgo was Rs.12.69 crores as against the previous year figure of Rs.13.02 crores. Thus the net foreign exchange earned by the Company was Rs 175.37 crores. The details of earnings and outgo are given in the Notes forming part of the Accounts for the year ended March 31, 2014.

Directors

Mr. Rahul Arora, Chief Marketing Officer of the Company was appointed as an Additional Director effective from August 12, 2013. Mr. Rahul Arora is a Whole Time Director of the Company. His period of appointment is for a period of 5 (five) years from August 12, 2013 subject to the approval of the members at a general meeting. He holds office till the ensuing Annual General Meeting and being eligible offers himself for appointment. Notice has been received from a member proposing his candidature for the office of director in the Company. The relevant details of the appointment are given in the explanatory statement in the notice of the Annual General Meeting.

The Board appointed Mr. Darius E Udawadia, Mr. Ashish Dalal and Mr. Vijay Sood as Directors of the Company for a period of 5 (five) years pursuant to section 149, 150 read with Schedule IV of the Companies Act, 2013 to hold office from the conclusion of the ensuing Forty-fourth Annual General Meeting. Mr. Darius E Udawadia, Mr. Ashish Dalal and Mr. Vijay Sood hold office till the conclusion of the ensuing Annual General Meeting. Notice has been received from a member proposing their candidature for the office of Director(s) in the Company. Details of the proposal for appointment of Darius E Udawadia, Mr. Ashish Dalal and Mr. Vijay Sood are given in the Explanatory statement under section 102 of the Companies Act, 2013 to the notice of the Annual General Meeting.

Mr. Nishith Arora retires at the forthcoming Annual General Meeting pursuant to Section 149 and Section 152 of the Companies Act, 2013 read with the Article 139 of the Articles of Association of the Company, and being eligible offers himself for reappointment.

Auditors

The Company's Auditors, Messrs. Deloitte Haskins & Sells, Chartered Accountants, Bengaluru (firm registration no. 008072S) retire at the forthcoming Annual General Meeting and have not sought to be reappointed.

Your directors on the recommendation of the Audit Committee decided to appoint Messrs. Deloitte Haskins & Sells, Chartered Accountants, New Delhi (firm registration no 015125N) as the Auditors of the Company from the conclusion of the forthcoming Annual General Meeting till the conclusion of the next Annual General Meeting.

The Company has obtained a written certificate from Messrs. Deloitte Haskins & Sells, Chartered Accountants, New Delhi to the effect that their appointment, if made at the Annual General Meeting, would be in conformity with the limits specified in the Companies Act, 2013.

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 March 31, 2014 is annexed to this Report.

Clause 49 Requirement

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis Report and 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.adi-mps.com.

CEO/CFO Certification

Mr. Nishith Arora, Chairman & Managing Director and Mr. Sunit Malhotra, CFO have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

Transfer to the Investor Education and Protection Fund

In terms of Section 205C of the Companies Act, 1956 an amount of Rs. 100,959 being unclaimed dividend for 2005-06 was transferred during the year under report to the Investor Education and Protection Fund established of the Central Government.

Director's Responsibility Statement

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

- In preparation of the Annual Accounts for the financial year ended March 31, 2014, the applicable accounting standards had been followed and proper explanations have been provided for material departures, wherever applicable.
- The Directors had selected such accounting policies and applied them consistently, and made judgments 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 March 31, 2014 and the profit of the Company for the year ended March 31, 2014.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors had prepared the Annual Accounts on a 'going concern' basis.

Consolidated financial statement

As required under the Listing Agreement(s) entered into with the Stock Exchange(s), consolidated financial statement of the Company and its subsidiary is attached. The consolidated financial statement have been prepared in accordance with Indian Generally Accepted Accounting Principles as prescribed under section 211 (3C) of the Companies Act, 1956. The consolidated financial statement discloses the assets, liabilities, income, expenses and other details of the company and its subsidiary.

Pursuant to the provision of Section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its Circular dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit & loss and other documents of the subsidiary companies with the balance sheet of the Company required under Section 212(1) of The companies Act, 1956 subject to the approval of the Board and fulfillment of certain other conditions. The Board of Directors pursuant to the aforesaid Circular had given their consent and resolved for not attaching the balance sheet & other documents. A statement containing brief financial details of the Company's subsidiary for the period ended March 31, 2014 is included in the Annual Report. The annual accounts of the subsidiary and the related information will be made available to any member of the company seeking such information and are available for inspection by any member of the Company at its registered office of the Company on any working day between 10 am to 5 pm.

Corporate Social Responsibility

The Companies Act, 2013 has brought in more responsibility on the Corporate Sector for nation building through participation in Corporate Social Responsibility programs. However, the Company without this becoming mandatory had been playing its part in the field of providing education, especially to the girl child.

Your Company has participated with IIMPACT, a nonprofit organization that provides access to quality primary education to young girls between 6 to 14 years of age, from marginalized communities across India, thereby empowering and mobilizing them to become active change agents in their community by helping change society around them.

'MPS Limited Girls Education Project' has been operational since January 2013 where your Company provides grant-in-aid to IIMPACT for the teaching schools ('learning centers'). This grant covers expenses of the Project such as teachers' salaries, staff salaries, training, teaching and learning materials, monitoring, travel and management expenses.

The project aims to provide equal opportunities, with regard to education to girls. By establishing a mechanism of learning within the villages, through these learning centers established right inside the villages where the girls live, and by using comprehensive and innovative strategies to deliver learning to these children and equipping them with literacy and other life skills, these girls will be able to complete their education and develop into productively contributing citizens of the country.

Initially, 20 villages of Dehradun, Uttarakhand were identified for the Project. With effect from January 2014, with the support of your Company, IIMPACT added 20 more learning centers. These additional learning centers are located in villages of Dehradun, Uttarakhand, Mewat, Haryana and Bundi, Rajasthan.

Your Company has contributed Rs. 16.60 lakhs towards the Project during 2013-14 (previous year Rs. 8.40 lakhs was contributed).

Acknowledgments

The Company is dependent for its success on the support of its members, its customers, its vendors, bankers 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

Mumbai
May 22, 2014

Nishith Arora
Chairman & Managing Director

FORM B

Disclosure of Particulars with Respect to Technology Absorption, Research & Development:

<p>1. Specific areas in which R & D was carried out by the Company</p>	<ul style="list-style-type: none"> • Development of cloud based digital publishing platform for performing various functions such as <ul style="list-style-type: none"> • Copy editing, • Author review and corrections • Auto composition • Content transformation & enrichment • Content hosting and distribution • Development and further customization of Journal tracking System (MPSTrak) for publishers • Development of manuscript submission (MPSManuscript) and peer review system for Journal publishers • The Company continued its effort towards development of the following: <ul style="list-style-type: none"> — Advanced editing and XML generation tools — Advanced graphics automation tools — Advanced server based auto composition systems — Implementation of workflows/processes with more automation — Cloud based systems
--	---

(contd.)

Disclosure of Particulars with Respect to Technology Absorption, Research & Development (contd.):

2. Benefits derived from the above R & D	<ul style="list-style-type: none"> Improved competitive positioning Consolidation of IT resources Optimized bandwidth usage & management Improved business continuity at optimized cost Data security and protection for external threats Improved communication standards and cost efficiency Improvement in quality and consistency of service deliveries Improved productivity
3. Future plan of action	<ul style="list-style-type: none"> Deployment of more systems and tools on cloud Development of a SaaS based service (MediaSuite) for media enriched eBooks Efficiency and optimization of publishing management services Further improvement in business continuity and disaster recovery plan Centralization of key processes for cost efficiency Improved process automation resulting in increased productivity
4. Expenditure on R & D result	No amount was spent in R&D

Technology absorption, adaptation and innovation.

Efforts in brief made towards technology absorption, adaptation and innovation.	<ul style="list-style-type: none"> Development and implementation of innovative cloud based systems for end-to-end publishing services Adoption of PCI-DSS standards of security Implementation of ITIL process frame work and IS 27001
Benefits derived from the above	<ul style="list-style-type: none"> Improved customer interests and associated service/technology requests from various customers Standardization of measurement techniques and information flows Ability to produce and deliver larger value at existing resource level
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 Directors Report for the year ended March 31, 2014.

Name	Designation, Nature of Duties	Age	Remuneration (Rs. lacs)	Qualification	Total Working Experience	Date of commencement of employment	Last employment held before joining the company (duration in years)
Nishith Arora	Chairman & Managing Director	56	157.79	BA (Hons in Economics), MBA (IIM – Ahmedabad)	34	April 19, 2012	Managing Director, ADI BPO Services Limited
Rahul Arora	Chief Marketing Officer & Whole Time Director	29	48.98	BS, PGDBM (Indian School of Business)	7	August 6, 2012	Gallup Inc

Notes:

- Employment is contractual.
- 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 and provision for performance linked bonus and festival bonus
- None of the employees are related to any of the Directors except Mr. Rahul Arora, Chief Marketing Officer & Whole time Director, who is the son of Mr. Nishith Arora, Chairman & Managing Director and Ms. Yamini Tandon, who is the wife of Mr. Rahul Arora and daughter-in-law of Mr. Nishith Arora.

By order of the Board

Nishith Arora
Chairman & Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

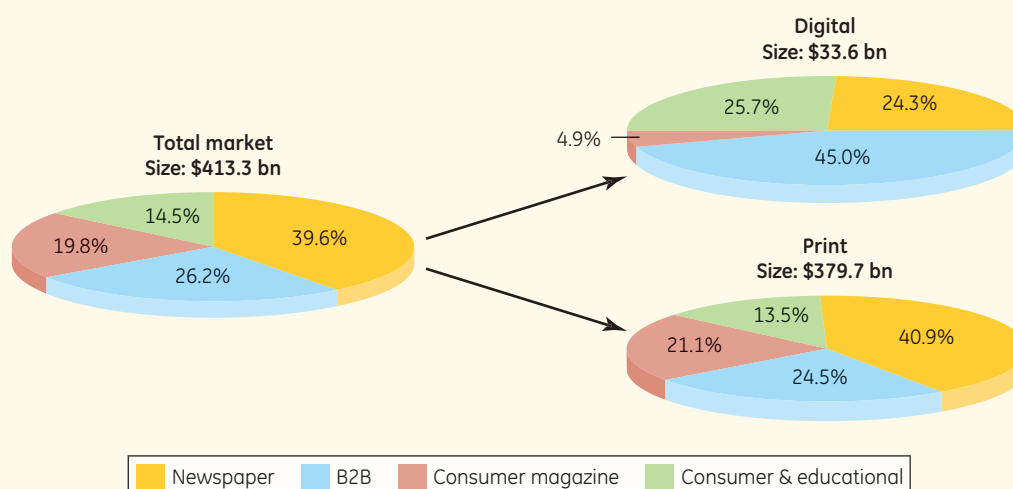
(A) INDUSTRY STRUCTURE AND BUSINESS DEVELOPMENT

(This section of the report draws upon market intelligence data released by reputed market survey agencies like Outsell and industry organizations like IDPF)

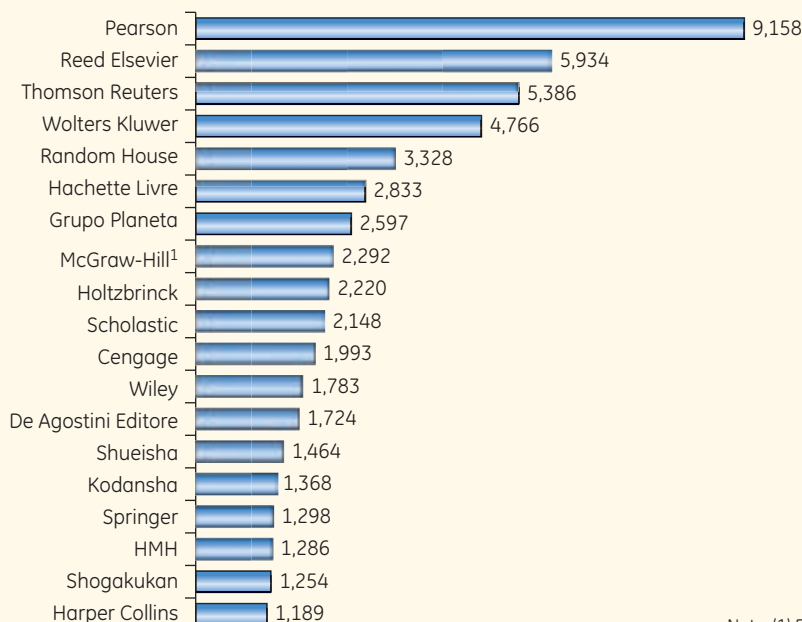
As per industry estimates, the global publishing industry is an over USD 400 billion market with a growing digital segment. Traditionally, it has been dominated by a few large players but due to ease of market and lack of entry barriers, the market is fragmented with mix of large players and small companies. The publishing market is a stable market with ~2-3% growth p.a. even in recessionary times.

The global publishing industry is an over \$400 billion market with a growing digital segment.

Publishing Market Breakdown (FY 2012)



Top 20 Book Publishers by Revenue (FY 2012)



Note: (1) FY 2011 revenues for McGraw-Hill

With the rapidly changing publishing industry, publishers are leveraging on technology across the entire value chain from content production to distribution to reduce costs and time. New technological changes will require companies to shift from pure services to technology services to meet the growing demand of publishers.

In recent times, relationships have changed between publishers and service providers from being a client-vendor to more of a strategic relationship. Publishers treat their relationship with companies like MPS as strategic and expect a deep involvement from the company while consolidating the number of suppliers they work with. MPS Limited in turn has been leveraging its platform-based approach while providing ready to market solutions to publishers for faster time to market and to help manage content across multiple platforms and devices.

Geography-wise, USA and UK continue to be the MPS Limited's biggest markets and the company's marketing strategy is to build on relationships with customers. MPS Limited participates in several trade shows and conferences across the globe to increase its global footprint and raise its brand awareness through advertisements in trade magazines and presentations at various trade shows.

Mobiles and tablets continue to become faster and smarter with device makers releasing new devices frequently. This has accelerated the growth of the mobile applications market. MPS Limited has a vast technological capability in this sphere and can create mobile applications for all popular platforms and devices.

Overall, MPS Limited provides end to end print and digital publishing solutions to its partners across the entire value chain from content production, enhancement and transformation to delivery and customer support, making it a trusted partner to the biggest publishers in the world.

(B) OPPORTUNITIES AND THREATS

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

Opportunities

MPS Limited has developed an end-to-end cloud-based publishing platform, MPS DigiCore, which addresses the need for an integrated workflow that publishers have started to ask for. As such, MPS Limited has a first-mover advantage in exploiting the market and establishing itself as the premier technology solutions provider for publishers. The same market forces have also created immense opportunities for MPS DigiTrak, the production tracking system developed by **MPS Limited and MPS DigiComp, Automated Composition**. Similar other solutions are being developed at MPS Limited as R&D continues based on the market requirements.

Opportunities for digitization, interactivity and mobile applications continue to grow in the market and this trend will continue for some time due to the fast changing digital landscape. MPS Limited has maintained its position as market leader in providing EPUB3 and HTML5 services and clients have been increasingly asking for these services. The opportunities provided by HTML5 in creating native apps for multiple platforms are being harvested by the company. The digital publishing market is also increasing the demand for aggregation, indexing, semantic, and analytics services. MPS Limited has a great growth potential in these areas and these opportunities have become more lucrative than previous years to the growth in the market.

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 and infrastructure each year.

Changes in consumer preferences pose an indirect threat as the volume of publishers' demand for our services can be affected.

(C) RISKS AND CONCERNS

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

- **Regulatory Risks:** The changes in tax laws, government policies and regulatory requirements might affect Company business.
- **Disaster and security risk:** This is a major concern for all IT/ITES companies. This is being mitigated by identifying and using alternative sites for data storage and protection.
- **Technological risk:** Adoption of newer technologies by clients is expected to force service providers to adopt newer technology involving substantial investments in workflow and manpower management. However adoption of new technology platforms by clients is quite limited which helps to mitigate the risks.
- **Currency risk:** Currency fluctuation generally remains a big risk. This risk is mitigated to a certain extent by taking adequate foreign exchange forward cover.
- **Industry risk:** As the Company is dependent on overseas publishers; any downturn in a customer's business or in the industry generally in any country where the Company does business, could have an impact. The Company is trying to mitigate such risk by the diversification of business and customer base.
- **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 commoditization, 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 big and constant risk due to increased competition. It is the Company's endeavor 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. 29 to notes on accounts).

(E) OUTLOOK

The publishing industry is settling down into the new market dynamics after the rapid changes of the last couple of years. Technology is playing a big role in publishing now as content becomes better organized as well as liberated. The Company's increased focus on developing high-end and strategic technology solutions speak about the Company's endeavor to be ahead of competition. Workflow management solutions and end-to-end services are the emerging requirements of the market and MPS Limited is well poised to take advantage of this since publishers prefer to work with a smaller base of strategic partners like MPS Limited.

(F) INTERNAL CONTROL SYSTEMS

The Company has well documented policy guidelines, defined authority levels, and an exhaustive budgetary control system to ensure adequate internal check and control levels. The Company has implemented SAP, an ERP System, to have adequate internal control.

The Company appointed Grant Thornton as the Internal Auditors for the Financial Year 2013-14. The Internal Audit function ensures that the system of recording and reporting, internal controls and checks, safeguarding and protection of assets in time are adequate and proper that are mandated by the Audit Committee. The Internal Auditor reports to the Audit Committee.

The Management as well as the Audit Committee of the Board review the findings and recommendations of the internal audit team and review periodically the adequacy of 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 in pre-publishing business as well as global pricing pressures in the Journals business. However, due to implementation of cost rationalization initiatives, the financial performance of the Company for the year ended 31st March 2014 vastly improved as compared to the last financial period. The EPS of the Company for the year ending March 31, 2014 was Rs. 25.82 as compared to an EPS of Rs 18.96 for the previous year ended March 31, 2013. The Company was able to meet all its capital expenditure and working capital requirements through internally generated funds while paying out an enhanced dividend to its members.

(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 had 2,535 employees as of 31st March, 2014.

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.

The section on the Industry structure and business development is drawn from report on market intelligence data released by reputed market survey agencies like Outsell and industry organizations like IDPF.

CORPORATE GOVERNANCE REPORT

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 & effectively and thereby maximize long term value for the Members, while ensuring fairness to all stakeholders. The Company has been practicing the principle of good corporate governance since its inception, not merely on account of regulatory requirements but as sound management practice 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 as applicable, regarding the meetings of the Board of Directors, General Meetings, 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, Government and other parties.

2. BOARD OF DIRECTORS

Composition of the Board

The Board of Directors of the Company presently consists of five Directors with one Executive Chairman & Managing Director, one Whole Time Director and three Non-Executive, Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement. The Independent Directors are eminent professionals with experience in business, finance and law. Except the Managing Director and the Whole Time Director all other Directors were subject to retirement by rotation.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director.

The Independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Clause 49 of the Listing Agreement.

The composition of the Board is as under:

Name of the Director & Designation	Category	No. of Directorships and Committee Memberships (including this Company)			
		Directorships		Committee Memberships	
		As Chairman	As Member	As Chairman	As Member
Nishith Arora, Chairman & Managing Director	Executive & Promoter	1	1	Nil	2
D E Udawadia Vice Chairman	Independent Non-Executive	1	10	1	7
Ashish Dalal	Independent Non-Executive	Nil	1	1	1
Vijay Sood	Independent Non-Executive	Nil	4	1	2
Rahul Arora (with effect from August 12, 2013)	Executive	Nil	2	Nil	Nil

Note: Excludes Directorships in Private Limited and foreign companies.

The meetings of the Board are governed by a structured agenda. All major agenda items are backed by background information to enable the Board to take informed decisions. The Board also reviews at each of its meetings the information to be tabled under Annexure 1A to Clause 49 of the Listing Agreements with the Stock Exchanges.

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 During the year ended March 31, 2014 (All figures in Rupees lacs)			
				Sitting Fees	Salary Perks & Commission	Commission (Paid during the year and pertains to previous year)	Total
Nishith Arora **	Father of Mr. Rahul Arora	Promoter & Director of holding company ADI BPO Services Limited***	Nil	Nil	157.79*	Nil	157.79
D E Udawadia	Nil	****	Nil	2.6	Nil	14.02	16.62
Ashish Dalal	Nil	Nil	Nil	2.4	Nil	14.02	16.42
Vijay Sood	Nil	Nil	Nil	2.6	Nil	14.02	16.62
Rahul Arora *****	Son of Mr. Nishith Arora	Director of holding company ADI BPO Services Limited***	Nil	Nil	48.98	Nil	48.98

*Remuneration to Mr. Nishith Arora includes an amount of Rs. 8.40 lacs provided as festival bonus as per contract and Rs. 50.40 lacs provided as Performance Linked Bonus (PLB) and to be based on the criteria laid down by the Remuneration Committee on revenue growth (in USD), profitability, service delivery & quality and innovation. The actual PLB payable is recommended by the Remuneration Committee and approved by the Board. Gratuity and Leave Salary are not included as these have been accrued on the basis of actuarial valuation for the Company as a whole.

** The contract of Mr. Nishith Arora as Managing Director is for 3 (three) years effective from April 19, 2012. The contract is terminable by 6 (six) months' notice by either side or payment in lieu thereof.

***During the year ended March 31, 2014, the Company paid Rs. 275.82 Lacs to ADI BPO Services Limited, the promoter Company of the Company in which Mr. Nishith Arora is a Director. The above amount consists of Rent for Dehradun facility taken on lease. The Company also acquired during the year, computers and other assets from ADI BPO Services Limited for amounts aggregating to Rs. 40.41 Lacs. In addition to the above, the Company has provided for reimbursement of Rs. 6.08 lacs to ADI BPO Services Limited for the assignment of Key Man Insurance Policy of Mr. Nishith Arora.

****During the year ended March 31, 2014, the Company paid Rs. 0.22 Lacs to the law firm M/s Udawadia, Udeshi & Argus Partners as fees for professional services that were provided by them on specific legal matters entrusted by the Company to them for legal advice from time to time. Mr. D E Udawadia is a founder partner of the above firm. The Board does not consider the firm's association with the Company to be of a material nature so as to affect the independence of judgment of Mr. Udawadia as a Director of the Company.

***** includes Rs. 0.39 Lacs as Annual Bonus and salary paid (in USD from August 12, 2013 to January 31, 2014 and in INR from February 1, 2014 till March 31, 2014) as Chief Marketing Officer and Whole Time Director and Performance Linked Bonus of Rs. 12.30, lacs to be based on the criteria laid down by the Remuneration Committee on revenue growth (in USD), profitability, service delivery & quality and innovation. The actual PLB payable is decided by the Remuneration Committee. Mr. Rahul Arora's contract is for a period of 5 (five) years effective from August 12, 2013 which can be terminated immediately by either side by giving notice in writing while working in USA and by 3 (three) months notice from either side while working in India.

Non-Executive Directors Shareholding as on March 31, 2014

Name of the Director	No. of Shares held
1. Mr. D E Udawadia	Nil
2. Mr. Ashish Dalal	Nil
3. Mr. Vijay Sood	9,731

Attendance Record of the Directors

Director	No. of Meetings		Attended last AGM on August 5, 2013 in Chennai
	Held	Attended	
Nishith Arora	6	6	Yes
D E Udawadia	6	6	Yes
Ashish Dalal	6	6	Yes
Vijay Sood	6	6	Yes
Rahul Arora (with effect from August 12, 2013)	6	2	Not Applicable

Dates of Board Meetings

The Board of Directors met 6 times during the financial year 2013-14. The maximum gap between any two meetings was less than 4 months as stipulated under Clause 49 of the Listing Agreement.

Date of Board Meeting	Place/City	No. of Directors Present
April 9, 2013	Mumbai	4
May 27, 2013	Mumbai	4
August 5, 2013	Chennai	4
August 12, 2013	Bengaluru	4
November 13, 2013	Gurgaon	5
February 14, 2014	Tehri, Hrishikesh	5

4. AUDIT COMMITTEE

The power, role and terms of reference delegated to the Audit Committee are as mandated under Clause 49 of the Listing Agreements with the Stock Exchanges. The Audit Committee also provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The Audit Committee is also empowered, pursuant to its terms of reference, inter alia, to a) investigate any activity within its terms of reference and to seek any information it requires from any employee, and b) obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary. At the meeting(s) of the Audit Committee the statutory auditor, internal auditor, CFO and other Senior Management personnel, as required, are present. Up to November 12, 2013, the Audit Committee constituted of Mr. Ashish Dalal, Chairman, Mr. D. E. Udawadia and Mr. Vijay Sood. Effective November 13, 2013, the Audit Committee constitutes of Mr. Vijay Sood as Chairman and Mr. D E Udawadia and Mr. Nishith Arora as members. The Company Secretary acts as Secretary to the Audit Committee. CFO, Finance Controller and Deputy General Manager (Legal) are permanent invitees to these meetings.

Dates of Audit Committee Meetings

Date of Audit Committee Meeting	Place/City	No. of Members Present
May 27, 2013	Mumbai	3
August 5, 2013	Chennai	3
November 13, 2013	Gurgaon	2
February 14, 2014	Tehri, Hrishikesh	3

Attendance Record of the Audit Committee Members

Audit Committee Member	No. of Meetings	
	Held	Attended
Mr. Ashish Dalal, Chairman (up to November 12, 2013)	4	2
Mr. D E Udawadia	4	4
Mr. Vijay Sood, Chairman with effect from November 13, 2013	4	4
Mr. Nishith Arora (with effect from February 14, 2014)	4	1

5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Shareholders/Investors Grievance Committee presently consists of Mr. Ashish Dalal as Chairman and Mr. Nishith Arora as Member. The Committee looks into redressing of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend and related matters.

The Company Secretary Mr. Supriya Kumar Guha acts as Secretary to the Committee and was also appointed as the Compliance officer. There was one meeting on November 13, 2013 of the Shareholders/Investors Grievance Committee during the year under review. All complaints received (total number - 2 complaints) from members during the period were fully resolved by the registrars and there are no pending complaints.

6. REMUNERATION COMMITTEE

The Remuneration Committee recommends to the Board the compensation terms of the Managing Director and the Whole Time Director. The Remuneration Committee presently consists of Mr. D. E. Udawadia, Chairman, Mr. Ashish Dalal and Mr. Vijay Sood. The Remuneration Committee met three times during the year on May 27, 2013, August 12, 2013 and February 14, 2014. All the three members were present at all meetings. 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.

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 the Managing Director affirming the compliance of Board of Directors is enclosed and forms a part of this report. All the senior managers have confirmed compliance of the Code of Conduct.

8. DISCLOSURES

- (i) The statutory disclosure requirements under Accounting Standard 18 relating to related party transactions have been complied with in the Annual Accounts (Note 30) to the Notes forming part of the accounts. There are no material related party transactions of the Company which have potential conflict with the interest of the Company at large.
- (ii) There is no treatment in the preparation of financial statements that is different from that prescribed in the Accounting Standards as notified under Section 211 (3C) of the Companies Act, 1956 ("the 1956 Act") (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/2013 Act, as applicable.
- (iii) Details of non-compliances by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years i.e. 2011-12, 2012-13 & 2013-14 – Nil. The Company has adopted all the mandatory requirements under Clause 49 of the Listing Agreements with Stock Exchanges and fulfilled the following non-mandatory requirements as prescribed in Annexure 1 D to Clause 49 :
 - (a) The Company has set up a Remuneration Committee, details of which have been given earlier in this report.
 - (b) The Company has adopted a Whistle Blower Policy. No person has been denied access to the Audit Committee. The Company also has a Sexual harassment policy. The Company has established the necessary mechanism for employees to report their concerns about unethical and unwelcome behavior. The Whistle Blower Policy and the Sexual Harassment Policy are available on the intranet site of the Company.
- (iv) The Management Discussion and Analysis report is included separately in the Annual Report.

9. CEO & CFO CERTIFICATION

The Chairman and Managing Director and CFO of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreements with the Stock Exchanges. Copy of the same is enclosed to this report.

10. SECRETARIAL AUDIT

A qualified practicing Company Secretary carried out Reconciliation of share capital audit to reconcile the total admitted equity share capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The secretarial audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. These reports are filed with Stock Exchanges quarterly. The practicing Company Secretary also certifies the Compliance certificate to the stock exchange(s) in pursuance of clause 47C of the Listing Agreement(s).

11. COMPLIANCE WITH CORPORATE GOVERNANCE NORMS

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has submitted the compliance report in the prescribed format to the Stock Exchanges for the quarters ended June 30, 2013, September 30, 2013, December 31, 2013 and March 31, 2014.

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. The said certificate is annexed to this Report and will be forwarded to the Stock Exchanges and the Registrar of Companies Tamil Nadu, Chennai along with the Annual Report.

12. SHAREHOLDERS INFORMATION

a. Date, time and location of the Annual General Meeting

Date:	August 8, 2014 (Friday)
Time:	10:30 A.M.
Place:	My Fortune Chennai, 10 Cathedral Road, Chennai 600086
Date of Book closure:	July 30, 2014 (Wednesday) to August 8, 2014 (Friday) (both days inclusive).

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

Year	Date and Time of Meeting	Venue	Special Resolutions approved
2010-11	Tuesday, 13th September, 2011	GRT Grand, T Nagar, Chennai 600017	Nil
2011-12	Thursday, 3rd August, 2012	My Fortune Chennai, 10 Cathedral Road, Chennai 600086	Remuneration of Managing Director, Appointment of relative under office of profit, Commission to non-executive Directors for a period of 5 years and alteration of Articles of Association replacing the rights of Macmillan with ADI BPO.
2012-13	Monday, August 5, 2013	My Fortune Chennai, 10 Cathedral Road, Chennai 600086	Appointment of Mr. Rahul Arora to an Office or place of profit under section 314 of the Companies Act, 1956

All resolutions placed before the Members at the last Annual General Meeting of the Company were passed with the requisite majority.

c. 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.

Postal ballot

A special resolution requiring postal ballot for shifting of registered office to NCT, Delhi from State of Tamil Nadu was proposed by Postal Ballot dated May 28, 2013 and the same was passed by 99.98% of the valid votes received. Mr. R Sridharan, FCS of R Sridharan & Associates, Company Secretaries was appointed scrutinizer for the above purpose. The result of the special resolution was declared by the Chairman on May 28, 2013 at 12 noon. The result of the Postal Ballot was immediately intimated to the stock exchanges and also posted on the Company's website.

d. Financial Calendar

Financial year	April 2014 to March 2015
– Reporting for the quarter ending June 30, 2014	August 2014
– Reporting for the quarter ending September 30, 2014	October 2014
– Reporting for the quarter ending December 31, 2014	January 2015
– Reporting for the quarter ending March 31, 2015 & Annual accounts	May 2015
– AGM for the year ending March 31, 2015	August 2015

The Quarterly Financial results are published in Financial Express, and in the Tamil daily, Maalai Sudar and are also available on the Company's website www.adi-mps.com apart from being disseminated via the Stock Exchanges where the shares are listed. The presentations made to the analysts, apart from being disseminated to the Stock exchanges are also displayed on the website of the Company.

e. Dividend Payment Date(s)

Interim Dividend

The Company declared three Interim Dividends during the year under report – first interim dividend (Rs. 5 per share) was paid out on September 30, 2013, the second interim dividend (Rs. 5 per share) was paid out on November 30, 2013 and the third interim dividend (Rs. 7 per share) was paid out on March 1, 2014.

f. Registered Office

RR Towers IV, Super A, 16/17 T V K Industrial Estate, Guindy, Chennai 600 032
www.adi-mps.com

g. Web site address

h. Listing on Stock Exchange at

Madras Stock Exchange Ltd.

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

National Stock Exchange of India Ltd.

(Scrip code – MPS LTD) Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

Bombay Stock Exchange Ltd.

(Scrip Code 532440), PJ Towers, Dalal Street, Mumbai 400 001

The listing fees for the financial year 2014-15 were paid to all the above stock exchanges.

i. Dematerialization of share and liquidity

The shares of the Company are compulsorily traded in demat form and are available for trading under both the Depository Systems in India –NSDL and CDSL. As on March 31, 2014, a total of 1,67,91,548 shares of the Company which forms 99.81% of the Share Capital, stood dematerialized.

j. Shares transfer system

Transfer of shares in Physical form has been delegated by the Board to certain officials of the Registrar/Company to facilitate speedy service to the shareholders. All request for dematerialization of shares are processed, if found in order, and confirmation is given to the respective depositories i.e. NSDL & CDSL within the statutory period.

k. Members Information

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

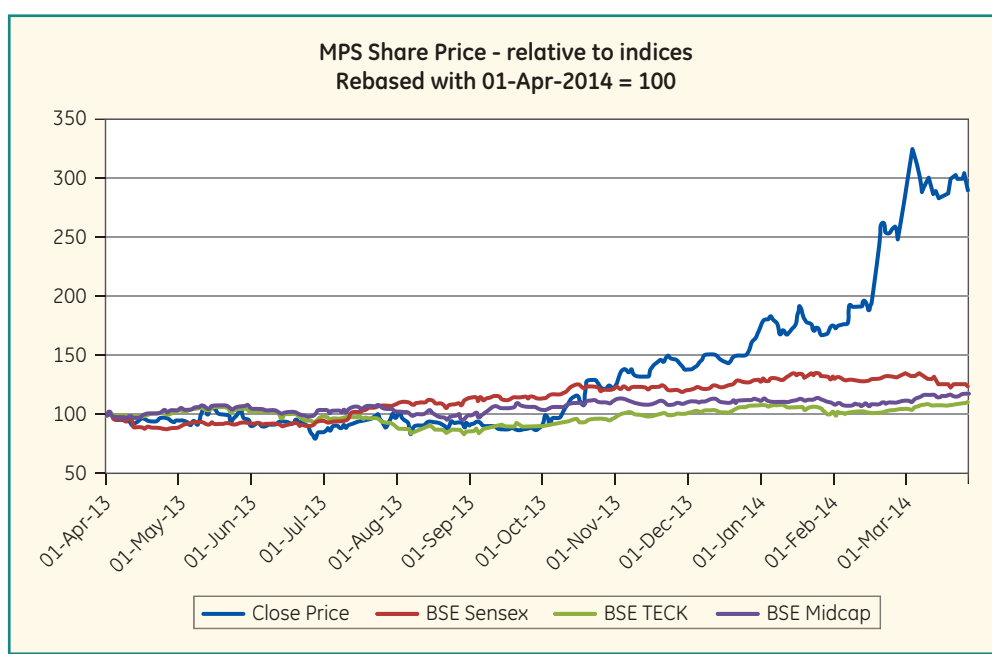
STOCK MARKET DATA**National Stock Exchange (NSE)**

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume
April 2013	128.00	115.95	119.85	88,649
May 2013	139.50	114.00	115.25	2,36,070
June 2013	120.80	99.00	107.40	80,087
July 2013	132.00	105.00	124.40	1,44,986
August 2013	131.95	106.00	117.00	1,68,868
September 2013	121.00	106.00	115.15	85,643
October 2013	171.00	110.50	157.70	2,79,524
November 2013	194.50	161.80	175.60	1,84,691
December 2013	244.00	174.20	227.85	2,74,781
January 2014	249.70	207.55	222.15	2,78,927
February 2014	375.95	217.10	361.55	12,61,107
March 2014	424.50	354.20	363.60	11,56,323

Bombay Stock Exchange (BSE)

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume
April 2013	128.90	112.10	119.90	82,550
May 2013	139.70	113.00	115.45	1,69,108
June 2013	121.70	99.00	106.45	69,652
July 2013	132.00	105.05	124.50	91,140
August 2013	128.90	106.00	115.10	1,01,652
September 2013	120.00	106.00	115.20	79,733
October 2013	171.00	111.10	159.35	2,47,030
November 2013	193.50	162.75	175.45	1,01,947
December 2013	242.00	170.00	227.50	1,55,274
January 2014	249.25	202.00	221.85	99,675
February 2014	375.00	219.00	361.45	4,76,870
March 2014	424.45	356.10	365.45	3,84,227

There was no trading of the Company's shares in the Madras Stock Exchange (MSE) during the year. The Company's shares can be sold through Stock Exchanges only in demat form.



Per Share Data

Year	March 31, 2014	March 31, 2013	March 31, 2012 (15 months)	December 31, 2010	December 31, 2009
Net Earnings (Rs. Lacs)	4,344.44	3,189.02	1,087.13	(880.71)	712.65
EPS (Rs.)	25.82	18.96	6.46	(5.24)	4.24
Dividend per Share (Rs.)	17.00	10.00	4.00	Nil	1.00
Dividend Payout (%)	77.01	61.30	71.94	Nil	10.00
Book Value per Share (Rs.)	55.06	49.12	41.79	39.98	64.49
Price to Earnings	14.08	6.62	6.74	(8.62)	15.61
Price to Book Value	6.60	2.56	1.04	1.13	1.03

SHAREHOLDING PATTERN

Distribution of Shareholding as at March 31, 2014

Category of shareholdings From – to	No. of shareholders	% of total	Total Shares	Amount (Rs.)	% of total amount
1 – 5000	5,741	85.22	6,30,608	63,06,080	3.75
5001 – 10000	399	5.92	3,25,061	32,50,610	1.93
10001 – 20000	249	3.70	3,82,363	38,23,630	2.27
20001 – 30000	107	1.59	2,73,041	27,30,410	1.62
30001 – 40000	53	0.79	1,91,453	19,14,530	1.14
40001 – 50000	47	0.70	2,20,786	22,07,860	1.31
50001 – 100000	87	1.29	6,37,090	63,70,900	3.79
100001 – And Above	54	0.80	1,41,62,266	14,16,22,660	84.19
TOTAL	6,737	100.00	1,68,22,668	16,82,26,680	100.00

Category of Shareholding as on March 31, 2014

Category	No. of holders	Total shares	% to Equity
Promoter	1	1,26,16,996	75.00
Financial Institution	1	1,825	0.01
Foreign Institutional Investor	1	4,602	0.03
Bank	1	625	0.00
Resident	6,286	35,09,620	20.86
NRI	102	1,63,282	0.97
Corporate Body	293	5,17,588	3.08
Clearing Member	52	8,130	0.05
TOTAL	6,737	1,68,22,668	100.00

Shareholding Pattern physical vs. demat as on March 31, 2014

Category	No. of holders	Total positions	% of Holdings
PHYSICAL	103	31,120	0.18
NSDL	4,445	1,55,70,754	92.56
CDSL	2,189	12,20,794	7.26
TOTAL	6,737	1,68,22,668	100.00

Publishing Services Locations

Chennai Books, Journals, Digital Services and Learning & New Media Services Unit and Registered Office	RR Towers, Super A, 16/17 TVK Industrial Estate, Chennai 600032
Bengaluru Journals, Books, Digital Services & Ad-Studio Unit	137, HMG Ambassador, Residency Road, Bengaluru 560025
Gurgaon Fulfillment Services & Content Hosting unit	340 Udyog Vihar, Phase IV, Gurgaon, Haryana 122016
Delhi Book Composing Unit	Ground floor, NSIC Bhavan, STP Complex, Okhla Industrial Estate, New Delhi 110020
Dehradun Books & Journals Unit	33, Sahastra Dhara Road, IT Park, Dehradun, Uttarakhand 248001
USA Books Unit	810, SE, Sherman Suite B, Portland, OR 97214, USA

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, HMG Ambassador, Residency Road, Bengaluru 560025 E-mail: supriya.guha@adi-mps.com Phone 080 41784025; Fax no. 42004400

TO THE MEMBERS OF MPS LIMITED

We have examined the compliance of conditions of Corporate Governance by MPS Limited, ("the Company") for the year ended 31st March 2014, 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 has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

Place: Mumbai
Date: May 22, 2014

Monisha Parikh
Partner
(Registration No 47840)

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 for the year ended March 31, 2014, as envisaged in Clause 49(l) (D) (ii) of the Listing Agreement.

Place: Mumbai
Date: May 22, 2014

Nishith Arora
Chairman & Managing Director

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

I, Nishith Arora, Chairman & Managing Director and I, Sunit Malhotra, 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 on March 31, 2014 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 pertaining to financial reporting 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. that there are no significant changes in internal control during the year;
 - ii. that there are no significant changes in accounting policies during the year which have been disclosed in the notes to the financial statements; and
 - iii. that there are no instances of 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.

Nishith Arora
Chairman & Managing Director

Place: Mumbai
Date: May 22, 2014

Sunit Malhotra
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MPS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **MPS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (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 Statement of Profit and Loss, 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 Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Monisha Parikh
Partner
(Membership No. 47840)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses ii, vi, viii, xii, xiii, xiv, xvi, xix and xx of Paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) 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 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.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, 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 sale 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.
- (v) To the best of our knowledge and belief and according to the information and explanation given to us, there are no contracts or arrangements that needed to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.
- (vi) In our opinion, the internal audit functions carried out during the year by an external agency appointed by the Management, have been commensurate with the size of the Company and the nature of its business.
- (vii) 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, Income-tax, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities, other than delays in remittances of Service Tax.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved INR in Lacs
Income Tax Act	Income Tax	Income Tax Appellate Tribunal	2006-07	112.25
		Commissioner of Income Tax (Appeals)	2007-08	123.31
		Dispute Resolution Panel	2008-09 and 2009-10	182.19
Finance Act	Service Tax	Customs and Excise Service Tax Appellate Tribunal	April 2006 to September, 2008	174.88

- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (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 and financial institutions. The Company has not issued any debentures.
- (x) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.
- (xii) During the year, the Company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under section 301 of the Company Act, 1956.
- (xiii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Monisha Parikh
Partner
(Membership No. 47840)

MPS Limited

BALANCE SHEET AS AT 31-MARCH-2014

Particulars	Note No.	As at 31-Mar-2014 INR in Lacs	As at 31-Mar-2013 INR in Lacs
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	1,682.27	1,682.27
(b) Reserves and surplus	4	7,580.94	6,582.38
		9,263.21	8,264.65
2 Non-current liabilities			
(a) Long-term borrowings	5	1.80	12.45
(b) Other long-term liabilities	6	7.42	9.10
		9.22	21.55
3 Current liabilities			
(a) Short-term borrowings	7	362.69	440.74
(b) Trade payables	8	1,438.10	1,948.32
(c) Other current liabilities	9	521.60	895.63
(d) Short-term provisions	10	109.42	16.80
		2,431.81	3,301.49
TOTAL		11,704.24	11,587.69
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11.A	1,742.21	1,900.77
(ii) Intangible assets	11.B	145.78	275.80
		1,887.99	2,176.57
(b) Non-current investments	12	1,047.24	-
(c) Deferred tax assets (net)	31.3	56.30	65.99
(d) Long-term loans and advances	13	2,078.71	1,798.41
(e) Other non-current assets	14	14.35	17.34
		5,084.59	4,058.31
2 Current assets			
(a) Current investments	15	1,754.07	1,773.12
(b) Inventories	16	782.79	889.55
(c) Trade receivables	17	2,881.63	2,980.08
(d) Cash and cash equivalents	18	974.58	1,110.39
(e) Short-term loans and advances	19	223.78	657.37
(f) Other current assets	20	2.80	118.87
		6,619.65	7,529.38
TOTAL		11,704.24	11,587.69
See accompanying notes forming part of the financial statements			

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh
Partner

Place: Mumbai
Dated: 22-May-2014

For and on behalf of the Board of Directors

Nishith Arora
Chairman and
Managing Director

Sunit Malhotra
Chief Financial Officer

Place: Mumbai
Dated: 22-May-2014

Vijay Sood
Director

Supriya Kumar Guha
Company Secretary

MPS Limited**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-MARCH-2014**

Particulars		Note No.	For the year ended 31-Mar-2014 INR in Lacs	For the year ended 31-Mar-2013 INR in Lacs
I	Revenue from operations (net)	21	18,829.21	16,399.59
II	Other Income	22	666.60	497.80
III	Total Revenue (I+II)		19,495.81	16,897.39
IV	Expenses			
	(a) Changes in inventories of work-in-process	23	106.76	35.40
	(b) Employee benefits expense	24	7,806.54	7,712.43
	(c) Finance costs	25	38.43	58.77
	(d) Depreciation and amortisation expense	11	505.22	736.17
	(e) Other expenses	26	4,444.28	4,360.01
	Total Expenses		12,901.23	12,902.78
V	Profit before tax (III-IV)		6,594.58	3,994.61
VI	Tax expense:			
	(a) Current tax		2,240.45	1,221.99
	(b) (Less): MAT credit		-	(294.14)
	(c) (Excess) provision for tax relating to prior years		-	(47.63)
	(d) Net current tax expense		2,240.45	880.22
	(e) Deferred tax		9.69	(74.63)
	Net tax expense		2,250.14	805.59
VII	Profit for the year (V-VI)		4,344.44	3,189.02
VIII	Earnings per equity share (of Rs. 10 each)			
	Basic and Diluted	31.2	25.82	18.96
	See accompanying notes forming part of the financial statements			

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh
 Partner

Place: Mumbai
 Dated: 22-May-2014

For and on behalf of the Board of Directors

Nishith Arora
 Chairman and
 Managing Director

Sunit Malhotra
 Chief Financial Officer

Place: Mumbai
 Dated: 22-May-2014

Vijay Sood
 Director

Supriya Kumar Guha
 Company Secretary

MPS Limited**CASH FLOW STATEMENT FOR THE YEAR 01-APRIL-2013 TO 31-MARCH-2014**

Particulars	For the year ended 31-Mar-2014 INR in Lacs	For the year ended 31-Mar-2013 INR in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before extraordinary items and tax	6,594.58	3,994.61
Adjustments for:		
Depreciation/Amortisation	505.22	736.17
Interest income	(2.52)	(10.44)
Income from Mutual Funds	(118.48)	(107.96)
Interest expenses	38.43	58.77
Profit on Sale/disposal/write-off of fixed assets (net)	(9.38)	20.66
Provision for doubtful debts no longer required written back	(30.76)	(3.67)
Liabilities/Provisions no longer required written back	(239.07)	(57.57)
Provision for doubtful loans and advances	74.41	33.27
Bad debts written off	113.27	7.95
Loans and Advances written off	39.93	-
Unrealised exchange difference (net)	7.24	(155.81)
Unrealised Marked to Market loss on Forward Contracts	-	(338.79)
	378.29	182.58
Operating profit/(loss) before working capital changes	6,972.87	4,177.19
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories of Work in Process	106.76	35.40
Trade receivables	159.94	(720.62)
Short-term loans and advances	187.46	64.99
Other current assets	115.66	(118.11)
Long-term loans and advances	(451.84)	(233.73)
Other Non Current Assets	2.99	38.13
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(434.60)	397.36
Other current liabilities	(492.60)	488.13
Other long-term liabilities	(1.68)	(124.46)
	(807.91)	(172.91)
Cash generated from operations	6,164.96	4,004.28
Net income tax (paid)/refunds	(1,914.49)	(848.62)
Net cash flow from/(used in) operating activities (A)	4,250.47	3,155.66
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(247.19)	(393.00)
Proceeds from sale of fixed assets	28.05	86.02
Purchase of Non Current Investments - In Subsidiaries	(1,047.24)	-
Purchase of Investments - Others	19.05	(552.93)
Dividends received	118.48	107.96
Interest received - Others	2.93	10.67
Net cash flow from/(used in) investing activities (B)	(1,125.92)	(741.28)

(contd.)

MPS Limited**CASH FLOW STATEMENT FOR THE YEAR 01-APRIL-2013 TO 31-MARCH-2014 (contd.)**

Particulars	For the year ended 31-Mar-2014 INR in Lacs	For the year ended 31-Mar-2013 INR in Lacs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(15.43)	(57.27)
Finance cost	(10.74)	(10.97)
Dividend paid	(2,859.85)	(2,019.35)
Tax on dividend	(486.03)	(327.49)
Net cash flow from/(used in) financing activities (C)	(3,372.05)	(2,415.08)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	(247.50)	(0.70)
Opening Balance of Cash	1,109.22	891.31
Add:- Forex Gain/(Loss) Reversal of PY	(2.92)	215.69
Adjusted Opening Balance	1,106.30	1,107.00
Closing Balance of Cash	974.42	1,109.22
Add:- Forex Gain/(Loss) of CY	(115.62)	(2.92)
Adjusted Closing Balance	858.80	1,106.30
	(247.50)	(0.70)
Cash and bank balances as per Balance Sheet (Refer Note 16)	974.58	1,110.39
Less: Bank balances not considered as Cash and cash equivalents In earmarked accounts		
-Unpaid dividends accounts	0.16	1.17
Cash and cash equivalents at the end of the year*	974.42	1,109.22
*Comprises:		
(i) In current accounts	561.12	725.35
(ii) In EEFC accounts	413.30	278.87
(iii) In demand deposit accounts		105.00
	974.42	1,109.22
See accompanying notes forming part of the financial statements		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh
Partner

Place: Mumbai
Dated: 22-May-2014

For and on behalf of the Board of Directors

Nishith Arora
Chairman and
Managing Director

Sunit Malhotra
Chief Financial Officer

Place: Mumbai
Dated: 22-May-2014

Vijay Sood
Director

Supriya Kumar Guha
Company Secretary

MPS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 Background

MPS Limited ("the Company") is engaged in the business of providing publishing solutions viz., type setting and data digitization services for overseas publishers and supports international publishers through every stage of the author-to-reader publishing process and provides a digital-first strategy for publishers across content production, enhancement and transformation, delivery and customer support. This digital focus spans across STM/academic, higher education, trade and directory markets.

The Company offers a diverse geographic spread with production facilities registered under the Software Technology Park of India (STPI) scheme in Chennai, New Delhi, Gurgaon and Bengaluru. The Company also operates with other production facilities in Dehradun, Noida and editorial and marketing offices in United States and United Kingdom.

During the year, the Company has incorporated a wholly owned subsidiary namely MPS North America LLC (MPS NA LLC) on 29 May 2013, as a Limited Liability Company under the laws of the State of Florida in the United States of America.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting and preparation of financial statements

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the accounting standards notified under Section 211 (3C) of the Companies Act, 1956 ("the 1956 Act") (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/2013 Act, as applicable. The financial statements have been prepared based on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize.

2.3 Inventories

Inventories comprising Work in Process representing cost of typesetting & data digitization services are valued at the lower of cost and net realizable value on weighted average basis. The cost comprises direct cost and appropriate proportion of overheads.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and Amortization

Depreciation has been provided on the Written Down Value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

- (i) Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalization.
- (ii) The cost of improvements to leasehold premises is amortized over the primary period of lease.
- (iii) Computer software 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.
- (iv) Fixed assets located at the branch in United States of America are depreciated based on their estimated useful life as follows:
 - Plant & Machinery – 5 years.
 - Software (Intangible) – 5 years.
 - Furniture & Fixtures – 7 years.

If the Management's estimate of the useful life of the tangible asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life.

The estimated useful lives of the intangible assets and the amortization period are reviewed at the end of each financial year and the depreciation/amortization is revised to reflect the changed pattern.

2.7 Revenue recognition

Revenue is recognized on delivery of projects or as per terms specified in contracts/purchase orders received from customers.

Revenues for web-site design and development are recognized based on the percentage of completion of the project. Revenues from web-site hosting are recognized ratably over the year for which the site is hosted.

2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

Rental Income is recognized as per contractual terms.

2.9 Fixed Assets (Tangible/Intangible)

Fixed assets are carried at cost less accumulated depreciation/amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase/completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Intangible assets that are acquired by the company are measured initially at cost. After initial recognition, an intangible asset is carried at its costs less any accumulated amortization and any accumulated impairment loss. Intangible assets comprise of software where it is expected to obtain future enduring economic benefits. Capitalization costs include license fees and costs of implementation/system integration services. The Costs are capitalized in the year in which the relevant software is implemented for use.

Capital work-in-process:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items (other than derivative contracts) of the Company and its integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items are carried at historical cost.

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

Accounting of forward contracts

Premium/discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortized over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

Refer Note 2.18 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

2.11 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

2.12 Employee benefits

Employee benefits include contribution to Provident fund, Superannuation fund, Gratuity fund, Compensated absences and Employee State Insurance scheme.

Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) In case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis.

2.14 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.15 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961 and applicable foreign tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.16 Impairment of assets

The carrying values of assets/cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

2.17 Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.18 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

All other derivative contracts are marked-to-market and losses are recognized in the Statement of Profit and Loss. Gains arising on the same are not recognized, until realized, on grounds of prudence.

2.19 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilizing the credits.

2.20 Operating Cycle

Based on the nature of services/activities the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Note 3 Share capital

Particulars	As at 31-Mar-2014		As at 31-Mar-2013	
	Number of shares	Amount in INR Lacs	Number of shares	Amount in INR Lacs
(a) Authorised share capital				
Equity shares of Rs.10/- each with voting rights	200,00,000	2,000.00	200,00,000	2,000.00
(b) Issued, Subscribed and fully paid up share capital				
Equity shares of Rs.10/- each with voting rights	168,22,668	1,682.27	168,22,668	1,682.27
Total		1,682.27		1,682.27

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31-Mar-2014		As at 31-Mar-2013	
	Number of shares	Amount in INR Lacs	Number of shares	Amount in INR Lacs
Equity shares (with voting rights)				
At the beginning of the year	168,22,668	1,682.27	168,22,668	1,682.27
Add: Fresh issue/buyback of shares	–	–	–	–
At the end of the year	168,22,668	1,682.27	168,22,668	1,682.27

(ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10/ per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by the shareholders.

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:**Equity shares with voting rights**

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	Number of shares	Number of shares
ADI BPO Services Limited, the holding company	126,16,996	126,16,996

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31-Mar-2014		As at 31-Mar-2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares ADI BPO Services Limited	126,16,996	75.00%	126,16,996	75.00%

Note 4 Reserves and surplus

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	INR in Lacs	INR in Lacs
(a) General reserve:		
Opening balance	427.61	108.71
Add: Transferred from surplus in Statement of Profit and Loss	434.44	318.90
Closing balance	862.05	427.61
(b) Surplus in Statement of Profit and Loss:		
Opening balance	6,154.77	5,239.83
Add: Profit for the year	4,344.44	3,189.02
Less: Interim dividend	2,859.85	1,682.27
Tax on dividends	486.03	272.91
Transferred to general reserve	434.44	318.90
Closing Balance	6,718.89	6,154.77
	7,580.94	6,582.38

Note 5 Long-term borrowings

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	INR in Lacs	INR in Lacs
Long-term Secured loans from Bank (Refer note (ii) below)	1.80	12.45
	1.80	12.45

(ii) Details of terms of repayment for the long-term borrowings including Current Maturities (Refer Note 9) and security provided.

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	INR in Lacs	INR in Lacs
Long-term Secured loans from Bank	7.32	22.75
Repayable over a period of 36 monthly installments with interest of 9.75% to 14.50% p.a., Vehicles purchased against these loans are offered as security		
Less: Current Maturities of Long-term Secured loans from Bank (As per Note 9)	5.52	10.30
Total	1.80	12.45

Note 6 Other long-term liabilities

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	INR in Lacs	INR in Lacs
Rent-equalisation reserve	7.42	9.10
	7.42	9.10

Note 7 Short-term borrowings

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	INR in Lacs	INR in Lacs
Unsecured Loan	362.69	440.74
	362.69	440.74

Note 8 Trade payables

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	INR in Lacs	INR in Lacs
Trade payables - Other than acceptances	1,438.10	1,948.32
	1,438.10	1,948.32

Note 9 Other current liabilities

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	INR in Lacs	INR in Lacs
(a) Current maturities of secured loan (Refer Note 5)	5.52	10.30
(b) Income received in advance (Unearned revenue)	92.54	99.28
(c) Unclaimed dividends*	0.16	1.17
(d) Rental Deposits	100.33	133.56
(e) Book Overdraft	46.71	76.55
(f) Interest accrued but not due	36.77	104.50
(g) Other payables:		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, VAT, Service Tax, etc.)	138.36	104.52
(ii) Payables on purchase of fixed assets	32.67	19.90
(iii) Advances from customers	25.12	249.14
(iv) Others:		
(i) Advance received against proposed sale of Fixed Assets	-	48.92
(ii) Compensated Absences	-	15.62
(iii) Gratuity	29.97	26.57
(iv) Others	13.45	5.60
	521.60	895.63

*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 and excludes unencashed demand drafts of INR 21.70 Lacs (PY - INR 28.88 Lacs).

Note 10 Short-term provisions

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	INR in Lacs	INR in Lacs
Provision for tax (net of payments)	109.42	16.80
	109.42	16.80

Note 11 Fixed assets

INR in Lacs

Tangible assets (Owned)	Gross block				Accumulated Depreciation				Net Block			
	Balance as at 01-Apr-2013	Additions/ Adjustments	Disposals/ Adjustments	Assets Held for Sale (Refer Note 20)	Balance as at 31-Mar-2014	Balance as at 01-Apr-2013	For the Year	Disposals/ Adjustments	Assets Held for Sale (Refer Note 20)	Balance as at 31-Mar-2014	As at 31-Mar-2014	As at 31-Mar-2013
(a) Land*	405.05 (405.05)	- (-)	- (-)	- (-)	405.05 (405.05)	- (-)	- (-)	- (-)	- (-)	- (-)	405.05 (405.05)	405.05 (405.05)
(b) Buildings*	1,430.41 (1,430.41)	- (-)	- (-)	- (-)	1,430.41 (1,430.41)	735.03 (698.43)	34.77 (36.60)	- (-)	- (-)	769.80 (735.03)	660.61 (695.38)	695.38 (731.98)
(c) Plant & Machinery	3,516.43 (3,305.60)	196.71 (519.83)	332.76 (154.62)	- (154.38)	3,380.38 (3,516.43)	2,886.59 (2,653.95)	237.79 (307.09)	307.47 (-33.25)	- (107.70)	2,816.91 (2,886.59)	563.47 (629.84)	629.84 (651.65)
(d) Furniture and Fixtures	446.34 (918.01)	18.21 (12.72)	50.71 (452.29)	- (32.10)	413.84 (446.34)	399.48 (661.55)	25.34 (42.65)	48.89 (280.95)	- (23.77)	375.93 (399.48)	37.91 (46.86)	46.86 (256.46)
(e) Vehicles	145.42 (217.79)	- (63.66)	35.50 (136.03)	- (-)	109.92 (145.42)	61.20 (127.68)	19.78 (21.23)	24.32 (87.71)	- (-)	56.66 (61.20)	53.26 (84.22)	84.22 (90.11)
(f) Leasehold improvements	97.08 (184.09)	0.88 (129.93)	61.18 (3.88)	- (213.06)	36.78 (97.08)	57.66 (131.14)	13.36 (47.75)	56.15 (-54.25)	- (175.48)	14.87 (57.66)	21.91 (39.42)	39.42 (52.95)
Total (A)	6,040.73	215.80	480.15	-	5,776.38	4,139.96	331.04	436.83	-	4,034.17	1,742.21	1,900.77
Previous year	(6,460.95)	(726.14)	(746.82)	(399.54)	(6,040.73)	(4,272.75)	(455.32)	(281.16)	(306.95)	(4,139.96)	(1,900.77)	(2,188.20)

Intangible assets (Owned)	Gross block				Accumulated Depreciation				Net Block			
	Balance as at 01-Apr-2013	Additions/ Adjustments	Disposals/ Adjustments	Assets Held for Sale (Refer Note 20)	Balance as at 31-Mar-2014	Balance as at 01-Apr-2013	For the Year	Additions/ Adjustments	Assets Held for Sale (Refer Note 20)	Balance as at 31-Mar-2014	As at 31-Mar-2014	As at 31-Mar-2013
(i) Others - Software (acquired)	1,705.49 (1,610.83)	63.13 (94.66)	- -	- (-)	1,768.62 (1,705.49)	1,429.69 (1,148.84)	174.18 (280.85)	18.97 -	- (-)	1,622.84 (1,429.69)	145.78 (275.80)	275.80 (461.99)
Total (B)	1,705.49	63.13	-	-	1,768.62	1,429.69	174.18	18.97	-	1,622.84	145.78	275.80
Previous year	(1,610.83)	(94.66)	-	(-)	(1,705.49)	(1,148.84)	(280.85)	-	(-)	(1,429.69)	(275.80)	(461.99)
Total (A) ± (B)	7,746.22	278.93	480.15	-	7,545.00	5,569.65	505.22	417.86	-	5,657.01	1,887.99	2,176.57
Previous year	(8,071.78)	(820.80)	(746.82)	(399.54)	(7,746.22)	(5,421.59)	(736.17)	(281.16)	(306.95)	(5,569.65)	(2,176.57)	(2,650.19)

* Land and Buildings include property located at Bengaluru (HMG Ambassador) at a cost of INR 400 lacs and INR 1,213 lacs respectively. The title to this property is jointly held with other co-owners in the name of HMG Ambassador Property Management Private Limited, represented by 1,47,50,000 equity shares of INR 10/- each representing the value of land and buildings with irrevocable right of permanent occupation.

Figures in brackets relate to previous year

Note 12 Non-current investments

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	INR in Lacs	INR in Lacs
Investments (At cost):		
Trade		
Investment in equity instruments of subsidiary 18,000 Units (As at 31-Mar-2013: Nil) of USD 100 each fully paid up of MPS North America LLC, USA	1,047.24	–
Total - Trade	1,047.24	–

Note 13 Long-term loans and advances

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	INR in Lacs	INR in Lacs
(a) Security deposits		
Unsecured, considered good (Refer Note below)	377.95	407.57
Doubtful	60.00	3.88
	437.95	411.45
Less: Provision for doubtful deposits	60.00	3.88
	377.95	407.57
(b) Prepaid expenses - Unsecured, considered good	9.81	13.58
(c) Advance income tax (net of provisions)	117.27	83.96
(d) Balances with government authorities - Unsecured, considered good		
(i) VAT refund receivable	6.52	6.52
(ii) Service Tax credit receivable	1,567.16	1,286.78
(e) Others		
Unsecured, considered good	–	–
Doubtful	15.76	15.76
	15.76	15.76
Less: Provision for doubtful loans and advances	15.76	15.76
	–	–
	2,078.71	1,798.41

Note:

Includes INR 100 Lacs (As at 31-Mar-2013 INR 100 Lacs) placed with holding company (ADI BPO Services Ltd.) as rental deposit.

Note 14 Other non-current assets

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	INR in Lacs	INR in Lacs
Balances held as margin money or security against guarantees	14.35	17.34
	14.35	17.34

Note 15 Current investments

Particulars	As at 31-Mar-2014	As at 31-Mar-2014	As at 31-Mar-2013	As at 31-Mar-2013
	Units in '000	INR in Lacs	Units in '000	INR in Lacs
Investment in mutual funds				
Birla Sun Life Cash Plus - Daily Dividend Regular Plan	-	-	188.29	188.66
Birla Sun Life Savings Fund - Daily Dividend Regular Plan	-	-	303.22	303.51
Birla Sun Life Cash Plus - Daily Dividend Direct Plan	463.56	464.45	-	-
ICICI Prudential Liquid - Regular Plan - Daily Dividend	-	-	306.42	306.49
Kotak Liquid (Institutional) - Daily Dividend*	-	-	25.34	309.86
Kotak Liquid Scheme Plan A - Direct Plan- Daily Dividend*	21.95	268.25	0.63	7.68
Reliance Liquidity Fund - Daily Dividend	-	-	30.63	306.48
DWS Ultra Short Term Fund - Institutional Plan - Daily Dividend	-	-	1.70	0.17
DWS Ultra Short Term Fund - Direct Plan- Daily Dividend	1,497.32	150.00	-	-
UTI-Treasury Advantage Fund - Institutional Plan - Direct Plan - Daily Dividend	-	-	15.02	150.27
Reliance Fixed Horizon Fund-XXIII Series 7 Growth Plan	2,000.00	200.00	2,000.00	200.00
Reliance Liquid Fund - Treasury Plan - Daily Dividend	27.58	421.37	-	-
Axis Treasury Advantage Fund - Direct Plan - Daily Dividend	24.88	250.00	-	-
	4,035.29	1,754.07	2,871.25	1,773.12
Aggregate market value of quoted investments		1,773.21		1,773.49

*Mutual Fund Units valued @ Rs. 200 Lakhs (Previous Year- Rs. 200 Lakhs) pledged with Kotak Mahindra Bank as Security towards Hedging facilities availed by the Company.

Note 16 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	INR in Lacs	INR in Lacs
Work-in-process (Cost of type-setting and Data Digitization in progress)	782.79	889.55
	782.79	889.55

Note 17 Trade receivables (Unsecured)

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	INR in Lacs	INR in Lacs
Trade receivable for a period exceeding six months		
Considered good	63.55	31.36
Doubtful	10.26	145.57
	73.81	176.93
Less: Provision for doubtful trade receivables	10.26	145.57
	63.55	31.36
Other Trade receivables		
Considered good	2,818.08	2,948.72
Doubtful	13.31	-
	2,831.39	2,948.72
Less: Provision for doubtful trade receivables	13.31	-
	2,818.08	2,948.72
	2,881.63	2,980.08

Note 18 Cash and cash equivalents

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	INR in Lacs	INR in Lacs
Balances with banks		
(i) In current accounts	561.12	725.35
(ii) In EEFC accounts	413.30	278.87
(iii) In demand deposit accounts	–	105.00
(iv) Unclaimed dividend accounts	0.16	1.17
	974.58	1,110.39
Out of the above the balances that meet the definition of Cash and Cash equivalents as per AS 3 Cash Flow Statement is:	974.42	1,109.22

Note 19 Short-term loans and advances

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	INR in Lacs	INR in Lacs
(a) Security Deposits	1.56	196.34
Doubtful	1.46	17.27
	3.02	213.61
Less: Provision for doubtful deposits	1.46	17.27
	1.56	196.34
(b) Loans and advances to employees		
Unsecured, considered good	9.47	20.27
Doubtful	10.17	16.00
	19.64	36.27
Less: Provision for doubtful loans and advances	10.17	16.00
	9.47	20.27
(c) Prepaid expenses	181.48	84.35
(d) MAT credit entitlement	–	292.34
(e) Balances with government authorities		
(i) VAT credit receivable	5.52	5.62
(ii) Service Tax refund receivable	–	21.25
	5.52	26.87
(f) Others		
Unsecured, considered good	25.75	37.20
	223.78	657.37

Note 20 Other current assets

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	INR in Lacs	INR in Lacs
(a) Interest accrued on deposits	0.35	0.76
(b) Receivables on sale of fixed assets	1.11	23.00
(c) Fixed assets held for sale (Refer Note 11)	–	92.59
(d) Others	1.34	2.52
	2.80	118.87

Note 21 Revenue from operations

Particulars	For the year ended 31-Mar-2014	For the year ended 31-Mar-2013
	INR in Lacs	INR in Lacs
Sale of services		
(i) Exports (Earnings in Foreign Currency)	18,806.25	16,389.37
(ii) Domestic	22.96	10.22
	18,829.21	16,399.59

Note 22 Other Income

Particulars	For the year ended 31-Mar-2014	For the year ended 31-Mar-2013
	INR in Lacs	INR in Lacs
(a) Interest income (Refer Note (i) below)	2.52	10.44
(b) Dividend Income: From current investments (mutual funds)	118.48	107.96
(c) Net gain on foreign currency transactions and translation	-	129.71
(d) Other non-operating income (Refer note (ii) below)	545.60	249.69
	666.60	497.80

Particulars	For the year ended 31-Mar-2014	For the year ended 31-Mar-2013
	INR in Lacs	INR in Lacs
Note (i) Interest income comprises:		
(a) Interest from Banks on Deposits	2.52	4.00
(b) Interest on income tax refund	-	6.44
	2.52	10.44
Note (ii) Other non-operating income comprises:		
(a) Rental income from operating leases	145.33	178.21
(b) Liabilities/provisions no longer required written back	239.07	57.57
(c) Provision for trade receivables no longer required written back	30.76	3.67
(d) Bad Debts/Advances Recovered	0.58	-
(e) Profit on Sale of Fixed Assets	16.39	-
(f) Miscellaneous income	113.47	10.24
	545.60	249.69

Note 23 Changes in inventories of work-in-process*

Particulars	For the year ended 31-Mar-2014	For the year ended 31-Mar-2013
	INR in Lacs	INR in Lacs
<u>Inventories at the end of the year:</u>		
Work-in-process	782.79	889.55
<u>Inventories at the beginning of the year:</u>		
Work-in-process	889.55	924.95
	106.76	35.40

*represents cost of Type-setting and Data Digitization services in progress

Note 24 Employee benefits expense

Particulars	For the year ended 31-Mar-2014	For the year ended 31-Mar-2013
	INR in Lacs	INR in Lacs
Salaries and wages	6,866.10	6,738.64
Contributions to provident and other funds (Refer Note 28)	463.86	474.49
Staff welfare expenses	476.58	499.30
	7,806.54	7,712.43

Note 25 Finance costs

Particulars	For the year ended 31-Mar-2014	For the year ended 31-Mar-2013
	INR in Lacs	INR in Lacs
(a) Interest expense on:		
(ii) Delayed payment of income tax/service tax	36.49	6.03
(ii) Borrowings	1.46	51.58
(iii) Others	0.48	1.16
	38.43	58.77

Note 26 Other expenses

Particulars		For the year ended 31-Mar-2014	For the year ended 31-Mar-2013
		INR in Lacs	INR in Lacs
Consumables		44.11	33.68
Outsourcing cost		1,078.76	982.07
Power and fuel		438.00	432.45
Rent including lease rentals (Refer Note 31.1)		666.90	870.60
Hire Charges		25.47	36.02
Repairs and maintenance - Buildings		241.89	243.16
Repairs and maintenance - Plant and Machinery		144.19	127.20
Repairs and maintenance - Others		4.68	4.57
Insurance		29.64	27.78
Rates and taxes		29.92	55.29
Communication		239.01	263.77
Travelling and conveyance		491.51	582.86
Legal and professional		190.24	233.57
Directors Sitting Fees		7.60	6.60
Commission to Non-executive directors		63.52	42.06
Payments to auditors (Refer Note (i) below)		66.82	60.33
Bad trade receivables written off	113.27		7.95
Less: Provision utilised for the above	91.24		-
		22.03	7.95
Advances written off	39.93		-
Less: Provision utilised for the above	39.93		-
		-	-
Provision for doubtful trade and other receivables, loans and advances		74.41	33.27
Loss on fixed assets sold/scrapped/written off		7.01	20.66
Net loss on foreign currency transactions and translation		319.32	-
Miscellaneous expenses		259.25	296.12
		4,444.28	4,360.01

Note 26 Other expenses (contd.)

Note (i)

Particulars	For the year ended 31-Mar-2014	For the year ended 31-Mar-2013
	INR in Lacs	INR in Lacs
Payments to the auditors comprises (net of service tax input credit, where applicable):		
(i) For Audit (includes Rs. 1 Lac for corporate governance reporting (Previous Year- Rs. 1 Lac) and Rs. 3.5 Lacs for audit of Consolidated Financial Statement (Previous Year- Nil))	33.50	28.00
(ii) For taxation matters	27.00	26.00
(iii) For other services	4.50	3.50
(iv) Reimbursement of expenses	1.82	2.83
	66.82	60.33

Note 27 Additional information to the financial statements

Note	Particulars	As at 31-Mar-2014	As at 31-Mar-2013
		INR in Lacs	INR in Lacs
27.1	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
	Claims against the Company not acknowledged as debts		
	(a) Income Tax		
	Relating to transfer pricing adjustments and disallowance of export commission and other deductions	853.58	766.27
	(b) Service Tax		
	Penalty and interest for delayed payments, disallowance of input credit and demand on overseas commission	675.56	520.29
	(c) Employee State Insurance (ESI) and Provident Fund (PF) vendor payments	6.56	6.56
	(d) VAT	-	6.52
	(e) Other Claims	256.00	-
	The above amounts are based on the notice of demand/Assessment Orders/claims by the relevant authorities/parties and the Company is contesting these claims. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.		
(ii)	Commitments	As at 31-Mar-2014 INR in Lacs	As at 31-Mar-2013 INR in Lacs
	Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	57.52	13.89
		57.52	13.89
27.2	There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31-Mar-2014 (PY - INR Nil). This information has been identified on the basis of information available with the Company. This has been relied upon by the auditors.		

Note 27 Additional information to the financial statements (contd.)

27.3 Details on derivatives instruments and unhedged foreign currency exposures

- (i) Forward exchange contracts entered into to hedge foreign currency risk of highly probable transactions and outstanding as at the Balance sheet date are as under:

Currency	Amount in FCY Lacs	Buy/Sell	Amount in INR Lacs
USD	44 (72)	Sell	2,879.48 (4039.38)
GBP	11 (18)	Sell	1,161.15 (1579.80)

- (ii) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

As at 31-Mar-2014		As at 31-Mar-2013	
Receivable in Foreign Currency	Receivable Amount in INR Lacs	Receivable in Foreign Currency	Receivable Amount in INR Lacs
AUD 24,131	13.34	AUD 41,379	23.70
CAD 2,030	1.10	CAD 10,446	5.68
EUR 192,955	159.54	EUR 271,908	189.14
GBP 114,800	114.53	-	-
-	-	NZD 2,210	1.00
SGD 10,051	4.78	SGD 1,396	0.61

As at 31-Mar-2014		As at 31-Mar-2013	
Payable in Foreign Currency	Payable Amount in INR Lacs	Payable in Foreign Currency	Payable Amount in INR Lacs
USD 585,727	350.94	USD 443,068	240.54
GBP 267,052	266.42	GBP 556,484	457.61
EUR 18,156	15.01	EUR 36,080	25.10

27.4 Value of imports calculated on CIF basis:	For the year ended 31-Mar-2014	For the period ended 31-Mar-2013
	INR in Lacs	INR in Lacs
Capital goods	34.48	12.00

27.5 Expenditure in foreign currency:	For the year ended 31-Mar-2014	For the period ended 31-Mar-2013
	INR in Lacs	INR in Lacs
Outsourcing Cost	434.28	315.29
Salaries, Wages and bonus	303.25	388.37
Rates and taxes	-	0.71
Rent	38.35	20.23
Legal and Professional Charges	73.09	77.44
Repairs and Maintenance	13.80	8.09
Travel	48.41	52.30
Communication	118.35	140.55
Others	204.75	287.22
	1,234.28	1,290.20

Disclosures under Accounting Standards

Note	Particulars																																																																																																																								
28.1	Employee benefit plans																																																																																																																								
28.1.a	Defined contribution plans The Company makes contributions to Provident Fund, Superannuation Fund and Employee State Insurance (ESI) Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised INR 329.19 Lacs (Previous year INR 276.62 Lacs.) for Provident Fund contributions, INR 6.30 Lacs (Previous year INR 6.00 Lacs.) for Superannuation Fund Contributions and INR 61.94 Lacs (Previous year INR 66.81 Lacs) for ESI in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.																																																																																																																								
28.1.b	Defined benefit plans The Company offers the following employee benefit schemes to its employees: i. Gratuity (included as part of contribution to provident and other funds in note 24, employees benefit expenses) The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:																																																																																																																								
	<table><tr><th></th><th colspan="2">INR in Lacs</th></tr><tr><th>Particulars</th><th>As at 31-Mar-2014</th><th>As at 31-Mar-2013</th></tr><tr><td>Components of employer expense</td><td></td><td></td></tr><tr><td>Current service cost</td><td>45.28</td><td>50.51</td></tr><tr><td>Interest cost</td><td>30.62</td><td>30.69</td></tr><tr><td>Expected return on plan assets</td><td>(30.99)</td><td>(36.84)</td></tr><tr><td>Actuarial losses/(gains)</td><td>(19.86)</td><td>70.41</td></tr><tr><td>Total expense recognised in the Statement of Profit and Loss</td><td>25.05</td><td>114.77</td></tr><tr><td>Actual contribution and benefit payments for year</td><td></td><td></td></tr><tr><td>Actual benefit payments</td><td>(68.89)</td><td>(127.63)</td></tr><tr><td>Actual contributions</td><td>28.66</td><td>15.87</td></tr><tr><td>Net asset/(liability) recognised in the Balance Sheet</td><td></td><td></td></tr><tr><td>Present value of defined benefit obligation</td><td>(375.53)</td><td>(382.77)</td></tr><tr><td>Fair value of plan assets</td><td>345.55</td><td>356.20</td></tr><tr><td>Funded status [Surplus/(Deficit)]</td><td>(29.98)</td><td>(26.57)</td></tr><tr><td>Unrecognised past service costs</td><td>-</td><td>-</td></tr><tr><td>Net asset/(liability) recognised in the Balance Sheet</td><td>(29.98)</td><td>(26.57)</td></tr><tr><td>Change in defined benefit obligations (DBO) during the year</td><td></td><td></td></tr><tr><td>Present value of DBO at beginning of the year</td><td>382.77</td><td>361.12</td></tr><tr><td>Current service cost</td><td>45.28</td><td>50.51</td></tr><tr><td>Interest cost</td><td>30.62</td><td>30.69</td></tr><tr><td>Actuarial (gains)/losses</td><td>(14.25)</td><td>68.08</td></tr><tr><td>Benefits paid</td><td>(68.89)</td><td>(127.63)</td></tr><tr><td>Present value of DBO at the end of the year</td><td>375.53</td><td>382.77</td></tr><tr><td>Change in fair value of assets during the year</td><td></td><td></td></tr><tr><td>Plan assets at beginning of the year</td><td>356.20</td><td>433.45</td></tr><tr><td>Expected return on plan assets</td><td>30.99</td><td>36.84</td></tr><tr><td>Actual company contributions</td><td>28.66</td><td>15.87</td></tr><tr><td>Actuarial gain/(loss)</td><td>(1.41)</td><td>(2.33)</td></tr><tr><td>Benefits paid</td><td>(68.89)</td><td>(127.63)</td></tr><tr><td>Plan assets at the end of the year</td><td>345.55</td><td>356.20</td></tr><tr><td>Actual return on plan assets</td><td>29.58</td><td>34.50</td></tr><tr><td>Composition of the plan assets is as follows:</td><td></td><td></td></tr><tr><td>Central Government Securities</td><td>22.94%</td><td>31.35%</td></tr><tr><td>State Government Securities</td><td>18.00%</td><td>10.71%</td></tr><tr><td>Govt. Guaranteed Securities</td><td>1.37%</td><td>1.35%</td></tr><tr><td>Debentures and Bonds</td><td>37.52%</td><td>42.85%</td></tr><tr><td>Equity Shares</td><td>4.69%</td><td>5.22%</td></tr><tr><td>Fixed Deposits</td><td>14.99%</td><td>8.35%</td></tr><tr><td>Money Market Instruments</td><td>0.49%</td><td>0.16%</td></tr></table>		INR in Lacs		Particulars	As at 31-Mar-2014	As at 31-Mar-2013	Components of employer expense			Current service cost	45.28	50.51	Interest cost	30.62	30.69	Expected return on plan assets	(30.99)	(36.84)	Actuarial losses/(gains)	(19.86)	70.41	Total expense recognised in the Statement of Profit and Loss	25.05	114.77	Actual contribution and benefit payments for year			Actual benefit payments	(68.89)	(127.63)	Actual contributions	28.66	15.87	Net asset/(liability) recognised in the Balance Sheet			Present value of defined benefit obligation	(375.53)	(382.77)	Fair value of plan assets	345.55	356.20	Funded status [Surplus/(Deficit)]	(29.98)	(26.57)	Unrecognised past service costs	-	-	Net asset/(liability) recognised in the Balance Sheet	(29.98)	(26.57)	Change in defined benefit obligations (DBO) during the year			Present value of DBO at beginning of the year	382.77	361.12	Current service cost	45.28	50.51	Interest cost	30.62	30.69	Actuarial (gains)/losses	(14.25)	68.08	Benefits paid	(68.89)	(127.63)	Present value of DBO at the end of the year	375.53	382.77	Change in fair value of assets during the year			Plan assets at beginning of the year	356.20	433.45	Expected return on plan assets	30.99	36.84	Actual company contributions	28.66	15.87	Actuarial gain/(loss)	(1.41)	(2.33)	Benefits paid	(68.89)	(127.63)	Plan assets at the end of the year	345.55	356.20	Actual return on plan assets	29.58	34.50	Composition of the plan assets is as follows:			Central Government Securities	22.94%	31.35%	State Government Securities	18.00%	10.71%	Govt. Guaranteed Securities	1.37%	1.35%	Debentures and Bonds	37.52%	42.85%	Equity Shares	4.69%	5.22%	Fixed Deposits	14.99%	8.35%	Money Market Instruments	0.49%	0.16%
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Note 28 Disclosures under Accounting Standards (contd.)

Note	Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	Actuarial assumptions		
	Discount rate	9.29%	8.00%
	Expected return on plan assets	8.70%	8.70%
	Salary escalation	6.00%	6.00%
	Attrition	Employee Grade wise trend	
	Estimated amount of Contribution in the next year	Rs 22.97 Lacs	Rs 26.57 Lacs
	Experience adjustments	31-Mar-2014	31-Mar-2013
		31-Mar-2012	31-Dec-2010
			31-Dec-2009
	Present value of DBO	375.53	382.77
	Fair value of plan assets	345.55	356.20
	Funded status [Surplus/(Deficit)]	(29.98)	(26.57)
	Experience gain/(loss) adjustments on plan liabilities	35.42	43.29
	Experience gain/(loss) adjustments on plan assets	(1.41)	(2.33)
		5.09	Refer Note (iii)
ii.	Long term Compensated Absences as at 31-March-2014 is INR Nil Lacs (Previous year INR 15.62 Lacs)		
	Compensated Absences are actuarially valued as at the end of the Year. The actuarial assumptions are as under:		
	Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	Actuarial assumptions		
	Discount rate	9.29%	8.00%
	Expected return on plan assets	8.70%	8.70%
	Salary escalation	6.00%	6.00%
	Notes:		
	(i) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.		
	(ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.		
	(iii) The details of experience adjustments arising on account of plan assets and liabilities for the years 2009-2010 as required by Accounting Standard (AS)-15 "Employee Benefits" are not available in valuation report.		
	The above disclosures exclude the figures of the overseas branch, as it is governed by the laws prevailing in USA.		

Disclosures under Accounting Standards (contd.)**Note Particulars****29.1 Segment information**

The Company operates in one business segment of providing publishing solutions viz., typesetting and data digitization services and is considered to constitute a single segment in the context of primary segment reporting as prescribed by Accounting Standard 17 - "Segment Reporting".

The Company's operations are managed on a worldwide basis from India and they operate in four principal geographical areas viz., India, Europe, United States of America and Rest of the World. The secondary segment is identified to these geographical locations. Details of secondary segment by geographical locations are given below:

Revenue by location of customer	For the Year ended 31-Mar-2014 INR in Lacs	For the Year ended 31-Mar-2013 INR in Lacs
India	22.96	10.22
Europe	8,850.28	7,527.62
USA	9,447.74	8,284.89
Rest of the World	508.23	576.86
Total	18,829.21	16,399.59

Carrying amount of Segment Assets by geographical location	As at 31-Mar-2014 INR in Lacs	As at 31-Mar-2013 INR in Lacs
India	8,169.36	7,438.41
Europe	1,861.34	1,688.30
USA	1,423.70	1,657.84
Rest of the World	99.71	111.71
Total	11,554.11	10,896.26

Cost incurred for purchase of Tangible Assets and Intangible Assets by geographical location	As at 31-Mar-2014 INR in Lacs	As at 31-Mar-2013 INR in Lacs
India	276.27	459.81
USA	2.66	2.01
Total	278.93	461.82

Disclosures under Accounting Standards (contd.)

Note	Particulars					
30	Related party transactions					
30.a	Details of related parties:					
	Description of relationship	Names of related parties				
	(i) Holding Company	ADI BPO Services Limited				
	(ii) Subsidiary Company (w.e.f. 29-May-2013)	MPS North America LLC.				
	(iii) Key Management Personnel (KMP)	Mr. Nishith Arora, Chairman and Managing Director Mr. Rahul Arora, Director (w.e.f 12-Aug-2013) Mr. Rajiv K Seth, Managing Director (up to 18-Apr-2012)				
	(iv) Relatives of KMP	Mr. Rahul Arora, Chief Marketing Officer (till 11-Aug-2013) Mrs. Yamini Tandon, Vice President-Service Delivery (w.e.f. 17-Feb-2014)				
30.b	Details of related party transactions during the year ended 31 Mar, 2014 and balances outstanding as at 31 Mar, 2014:					
		INR in Lacs				
		Holding Company	Subsidiary	KMP	Relatives of KMP	Total
	Purchase of fixed assets	40.41 (197.77)	– (–)	– (–)	– (–)	40.41 (197.77)
	Rent	275.82 (164.24)	– (–)	– (–)	– (–)	275.82 (164.24)
	Security Deposit placed	– (100.00)	– (–)	– (–)	– (–)	– (100.00)
	Reimbursement of expenses	6.08 (–)	– (–)	– (–)	– (–)	6.08 (–)
	Recovery of Expenses	– (–)	11.62 (–)	– (–)	– (–)	11.62 (–)
	Investment in equity shares/units	– (–)	1,047.24 (–)	– (–)	– (–)	1,047.24 (–)
	Dividend	2,144.89 (1,529.05)	– (–)	– (–)	– (–)	2,144.89 (1,529.05)
	Remuneration:					
	Nishith Arora	– (–)	– (–)	157.79 (152.44)	– (–)	157.79 (152.44)
	Rahul Arora	– (–)	– (–)	48.98 (–)	10.79 (18.97)	59.77 (18.97)
	Yamini Tandon	– (–)	– (–)	– (–)	3.44 (–)	3.44 (–)
	Rajiv K. Seth	– (–)	– (–)	– *(31.42)	– (–)	– (31.42)
	Balances outstanding at the end of the year					
	Security Deposit Placed (Refer Note 13)	100.00 (100.00)	– (–)	– (–)	– (–)	100.00 (100.00)
	Payables on account of reimbursement of expenses	6.08 (–)	– (–)	– (–)	– (–)	6.08 (–)
	* Including payment of INR 18.08 lacs towards gratuity and leave encashment in 2012-13.					
	Notes					
	1. No amount has been written off/written back during the year in respect of dues from/to related parties.					
	2. Figures in brackets relate to previous year					
30.c	The remuneration to Key Management Personnel includes Rs. 48.98 Lacs paid as remuneration to Mr Rahul Arora, Whole Time Director effective from August 12, 2013. An application was made to the Central Government pursuant to Section 269, 310 read with Part A of Schedule XIII since Mr. Rahul Arora was not a resident in India for a continuous period of 12 months immediately preceding the date of his appointment as a Whole Time Director. The Central Government has taken on record the aforesaid application and has informed vide their letter dated January 9, 2014 that the matter will be further examined on receipt of the shareholders' approval. Accordingly, the above is subject to approval of the shareholders and the Central Government.					

Disclosures under Accounting Standards (contd.)

Note	Particulars	For the Year ended 31-Mar-2014	For the Year ended 31-Mar-2013
		INR in Lacs	INR in Lacs
31.1	Details of leasing arrangements		
	As Lessee		
	The Company has entered into cancellable and non-cancellable operating leases for office premises and cancellable leases for vehicles. Lease rentals recognised in respect of such operating leases in the Statement of Profit and Loss is:	666.90	870.60
	The total of future minimum lease payments in respect of premises taken on lease under non-cancellable operating leases are as follows:		
	Future minimum lease payments		
	not later than one year	177.30	340.80
	later than one year and not later than five years	101.25	223.80
	later than five years	-	-
		278.55	564.60

Note	Particulars	For the Year ended 31-Mar-2014	For the Year ended 31-Mar-2013
		INR in Lacs	INR in Lacs
31.2	Earnings per share		
	Basic		
	Net profit for the year attributable to the equity shareholders (Rs in Lacs)	4,344.44	3,189.02
	Weighted average number of equity shares	168,22,668	168,22,668
	Par value per share (Rs.)	10.00	10.00
	Earnings per share - Basic and diluted (Rs.)	25.82	18.96

Note	Particulars	As at 31-Mar-2014	As at 31-Mar-2013
		INR in Lacs	INR in Lacs
31.3	Deferred tax (liability)/asset		
	Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets:	(22.95)	(39.68)
		(22.95)	(39.68)
	Tax effect of items constituting deferred tax asset		
	Provision for compensated absences, gratuity and other employee benefits	40.74	33.19
	Provision for doubtful trade receivables/advances	31.42	67.48
	Others	7.09	5.00
		79.25	105.67
	Net Deferred Tax Asset/(Liability)	56.30	65.99

32 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

There are no Loans and advances in the nature of loans given to subsidiaries/companies in which directors are interested.

33 Previous Year's figures

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Nishith Arora
Chairman and Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Supriya Kumar Guha
Company Secretary

Place: Mumbai
Date: 22-May-2014

Statement of Information relating to subsidiary (In terms of Government of India, Ministry of Corporate Affairs General Circular No: 2/2011, No: 5/12/2007-CL-III dated 8th February, 2011) in compliance with Section 212 of the Companies Act, 1956 for the year ended 31 March 2014.

INR in Lacs

Name of the Subsidiary	Period of the financial statements considered	Currency	Share Capital Including share application money	Reserves	Total Assets (Non-Current Assets + Deferred Tax Assets) excluding Current and Non Current Investments	Total Liabilities (Non Current Liabilities + Current Liabilities)	Details of Non Current Investment (except Investment in subsidiaries)	Turnover (Net)	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend
MPS North America LLC	May 29, 2013 to March 31, 2014	USD	1,047.24	(90.27)	1,097.25	140.28	-	899.28	(199.18)	(69.14)	(130.04)	-

Notes:

i) For converting the figures given in foreign currency appearing in the accounts of the subsidiary company into equivalent INR, following exchange rates are used for INR

Sr No	Currency	Balance Sheet (Closing Rate) As at 31 March 2014	Statement of Profit & Loss (Average Rate) For the period ended 31 March 2014
1	USD	59.915	62.962

- ii) The Consolidated financial statements are in compliance with applicable Accounting Standards in India.
- iii) In compliance with the requirement of Clause 32 of the Listing Agreement, the consolidated financial statements are duly audited by the auditors.
- iv) Full accounts of the aforesaid subsidiary is available for inspection at the registered office of the company and on request same will be made available to the shareholders of the holding company and subsidiary company.
- v) MPS North America LLC incorporated effective 29th May 2013
- vi) On June 17, 2013 MPS Limited acquired 100% shares of subsidiary
- vii) MPS North America LLC is a wholly owned subsidiary of MPS Limited

For and on behalf of the Board of Directors

Nishith Arora
Chairman and Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Supriya Kumar Guha
Company Secretary

Place: Mumbai
Dated: 22-May-2014

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF MPS LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of MPS LIMITED (the "Company") and its subsidiary (the Company and its subsidiary constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Monisha Parikh
Partner
(Membership No. 47840)

MPS Limited
CONSOLIDATED BALANCE SHEET AS AT 31-MARCH-2014

Particulars	Note No.	As at 31-Mar-2014 INR in Lacs
I EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	3	1,682.27
(b) Reserves and surplus	4	7,490.67
		9,172.94
2 Non-current liabilities		
(a) Long-term borrowings	5	1.80
(b) Other long-term liabilities	6	7.42
		9.22
3 Current liabilities		
(a) Short-term borrowings	7	362.69
(b) Trade payables	8	1,577.89
(c) Other current liabilities	9	521.60
(d) Short-term provisions	10	109.91
		2,572.09
TOTAL		11,754.25
II ASSETS		
1 Non-current assets		
(a) Fixed assets		
(i) Tangible assets	11.A	1,761.57
(ii) Intangible assets	11.B	627.26
		2,388.83
(b) Deferred tax assets (net)	31.3	125.44
(c) Long-term loans and advances	12	2,081.92
(d) Other non-current assets	13	14.35
		4,610.54
2 Current assets		
(a) Current investments	14	1,754.07
(b) Inventories	15	782.79
(c) Trade receivables	16	3,215.38
(d) Cash and cash equivalents	17	1,161.49
(e) Short-term loans and advances	18	227.18
(f) Other current assets	19	2.80
		7,143.71
TOTAL		11,754.25
See accompanying notes forming part of the consolidated financial statements		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh
Partner

Place: Mumbai
Dated: 22-May-2014

For and on behalf of the Board of Directors

Nishith Arora
Chairman and
Managing Director

Sunit Malhotra
Chief Financial Officer

Place: Mumbai
Dated: 22-May-2014

Vijay Sood
Director

Supriya Kumar Guha
Company Secretary

MPS Limited**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-MARCH-2014**

Particulars		Note No.	For the year ended 31-Mar-2014 INR in Lacs
I	Revenue from operations (net)	20	19,728.49
II	Other Income	21	666.60
III	Total Revenue (I+II)		20,395.09
IV	Expenses		
	(a) Changes in inventories of work-in-process	22	106.76
	(b) Employee benefits expense	23	8,468.60
	(c) Finance costs	24	38.43
	(d) Depreciation and amortisation expense	11	528.78
	(e) Other expenses	25	4,857.12
	Total Expenses		13,999.69
V	Profit before tax (III-IV)		6,395.40
VI	Tax expense:		
	(a) Current tax		2,240.45
	(b) Deferred tax		(59.45)
	Net tax expenses		2,181.00
VII	Profit for the year (V-VI)		4,214.40
VIII	Earnings per equity share (of Rs. 10 each) Basic and Diluted	31.2	25.05
See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh
Partner

Place: Mumbai
Dated: 22-May-2014

For and on behalf of the Board of Directors

Nishith Arora
Chairman and
Managing Director

Sunit Malhotra
Chief Financial Officer

Place: Mumbai
Dated: 22-May-2014

Vijay Sood
Director

Supriya Kumar Guha
Company Secretary

MPS Limited
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 01-APRIL-2013
TO 31-MARCH-2014

Particulars	For the year ended 31-Mar-2014 INR in Lacs	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before extraordinary items and tax		6,395.40
Adjustments for:		
Depreciation/Amortisation	528.78	
Interest income	(2.52)	
Income from Mutual Funds	(118.48)	
Interest expenses	38.43	
Profit on Sale/disposal/write-off of fixed assets (net)	(8.96)	
Provision for doubtful debts no longer required written back	(30.76)	
Liabilities/Provisions no longer required written back	(239.07)	
Provision for doubtful loans and advances	111.25	
Bad debts written off	113.27	
Loans and Advances written off	39.93	
Unrealised exchange difference (net)	7.24	
		439.11
Operating profit/(loss) before working capital changes		6,834.51
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories of Work in Process	106.76	
Trade receivables	(11.04)	
Short-term loans and advances	184.06	
Other current assets	115.66	
Long-term loans and advances	(455.05)	
Other Non Current Assets	2.99	
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(601.68)	
Other current liabilities	(492.60)	
Other long-term liabilities	(1.68)	
Short Term Provisions	0.49	
		(1,152.09)
Cash generated from operations		5,682.42
Net income tax (paid)/refunds		(1,914.49)
Net cash flow from/(used in) operating activities (A)		3,767.93
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(249.43)	
Proceeds from sale of fixed assets	28.16	
Acquisition of Business	(416.63)	
Purchase of Investments - Others	19.05	
Dividends received	118.48	
Interest received - Others	2.93	
Net cash flow from/(used in) investing activities (B)		(497.44)

MPS Limited
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 01-APR-2013
TO 31-MAR-2014 (contd.)

Particulars	For the year ended 31-Mar-2014 INR in Lacs	
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(15.43)	
Finance cost	(10.74)	
Dividend paid	(2,859.85)	
Tax on dividend	(486.03)	
Net cash flow from/(used in) financing activities (C)		(3,372.05)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)		(101.56)
Impact on Cash Flow on account of Foreign Currency Translation		40.97
Opening Balance of Cash*	1,109.22	
Add:- Forex Gain/(Loss) Reversal of PY	(2.92)	
Adjusted Opening Balance		1,106.30
Closing Balance of Cash **	1,161.33	
Add:- Forex Gain/ (Loss) of CY	(115.62)	
Adjusted Closing Balance		1,045.71
		(60.59)
Cash and bank balances as per Balance Sheet (Refer Note 16)	1,161.49	
Less: Bank balances not considered as Cash and cash equivalents		
In earmarked accounts		
-Unpaid dividends accounts	0.16	
Cash and cash equivalents at the end of the year**		1,161.33
**Comprises:		
(i) In current accounts	561.12	
(ii) In EEFC accounts	600.21	
(iii) In demand deposit accounts -		
		1,161.33
*represents balance of the holding company (Refer note 1)		
See accompanying notes forming part of the financial statements		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh
Partner

Place: Mumbai
Dated: 22-May-2014

For and on behalf of the Board of Directors

Nishith Arora
Chairman and
Managing Director

Sunit Malhotra
Chief Financial Officer

Place: Mumbai
Dated: 22-May-2014

Vijay Sood
Director

Supriya Kumar Guha
Company Secretary

MPS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE-1: CORPORATE INFORMATION:

Background

MPS Limited ("the Company") is engaged in the business of providing publishing solutions viz., type setting and data digitization services for overseas & supports international publishers through every stage of the author-to-reader publishing process and provides a digital-first strategy for publishers across content production, enhancement and transformation, delivery and customer support. This digital focus spans across STM/academic, higher education, trade and directory markets.

The Company offers a diverse geographic spread with production facilities registered under the Software Technology Park of India (STPI) scheme in Chennai, New Delhi, Gurgaon and Bengaluru. The Company also operates with other production facilities in Dehradun, Noida and editorial and marketing offices in United States and United Kingdom.

During the year, the Company has incorporated a wholly owned subsidiary namely MPS North America LLC (MPS NA LLC, the subsidiary) on 29th May 2013, as a limited liability company under the laws of the State of Florida in the United States of America. Consequently, the Consolidated Financial Statements of the Company are being reported for the first time and there are no corresponding figures for the previous year. As at 31-March-2014, the Company held 18000 Units of MPS NA LLC, representing 100% of the issued, subscribed and paid up Units of the subsidiary. The original cost of such Investment made by the Company during the year is Rs.1047.24 lacs. The subsidiary purchased the business of a US Entity viz., Element LLC vide a Asset Purchase Agreement effective 27th July 2013 (Refer Note 26).

NOTE-2: SIGNIFICANT ACCOUNTING POLICIES

Note-2.1: Basis of Accounting and Preparation of Consolidated Financial Statements

- a) The Consolidated financial statements of the Company and its subsidiary (referred to as "the Group") have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the accounting standards notified under Section 211 (3C) of the Companies Act, 1956 ("the 1956 Act") (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/2013 Act, as applicable. The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the holding company.
- b) Principles of consolidation
The financial statements of the Company and its subsidiary viz., MPS NA LLC have been consolidated on a line by line basis by adding together like items of assets, liabilities, income, expenses, after eliminating intra-group transactions and any unrealized gains or losses in accordance with the Accounting Standard - 21 on "Consolidated Financial Statements" (AS 21). The financial statements of the Company and its subsidiary have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.

Note-2.2: Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

Note-2.3: Inventories

Inventories comprising Work in Process cost of typesetting & data digitization services are valued at the lower of cost and net realisable value on weighted average basis. The cost comprises direct cost and appropriate proportion of overheads.

Note-2.4: Cash and Cash Equivalents (For Purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Note-2.5: Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Note-2.6: Depreciation and Amortisation

Depreciation has been provided on the Written down Value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

- (i) Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.
- (ii) The cost of improvements to leasehold premises is amortized over the primary/extended period of lease.
- (iii) Computer software 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.
- (iv) Fixed assets located at the branch and subsidiary in United States of America are depreciated based on their estimated useful life as follows:
 - Plant & Machinery – 5 to 10 years.
 - Furniture & Fixtures – 7 years

However, if the Management's estimate of the useful lives of the tangible asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life

Goodwill arising from acquisition of business is not amortised, but evaluated at year end for impairment, if any.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the depreciation/amortisation is revised to reflect the changed pattern.

Note-2.7: Revenue Recognition

Revenue is recognized on delivery of projects or as per terms specified in contracts/purchase orders received from customers.

Revenues for web-site design and development are recognised based on the percentage of completion of the project. Revenues from web-site hosting are recognised ratably over the year for which the site is hosted.

Note-2.8: Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

Rental Income is recognized as per contractual terms.

Note-2.9: Fixed Assets (Tangible/Intangible)

Fixed Assets are carried at cost less accumulated depreciation/amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase/completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Intangible assets that are acquired by the company are measured initially at cost. After initial recognition, an intangible asset is carried at its costs less any accumulated amortization and any accumulated impairment loss. Intangible assets comprise of software where it is expected to obtain future enduring economic benefits. Capitalization costs include license fees and costs of implementation/system integration services. The Costs are capitalized in the year in which the relevant software is implemented for use.

Goodwill comprises the excess of purchase consideration over the fair value of the net assets acquired classified as an asset on the balance sheet.

Capital work-in-process:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Note-2.10: Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items (other than derivative contracts) of the Company and its integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items are carried at historical cost.

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

The Financial statements of the non-integral foreign operations are translated into Indian Rupees as follows:

- (i) All Assets & Liabilities, monetary and non-monetary are translated at the year/period end rate.
- (ii) Income and Expense items are translated at the average rates.
- (iii) The Resulting Net exchange difference is credited or debited to a foreign currency translation reserve and accumulated till the disposal of the net investment.

MPS NA LLC has been identified as non-integral operations.

Accounting of forward contracts

Premium/discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

Refer Note 2.18 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

Note-2.11: Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

Note-2.12: Employee Benefits

Employee benefits include contribution to Provident fund, Superannuation fund, Gratuity fund, Compensated absences and Employee State Insurance scheme.

Defined Contribution Plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services rendered by the employees.

Defined Benefit Plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- a) In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- b) In case of non-accumulating compensated absences, when the absences occur.

Long-Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

Note-2.13: Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

Note-2.14: Earnings Per Share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Note-2.15: Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961 and applicable foreign tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Note-2.16: Impairment of Assets

The carrying values of assets/cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of re-valued assets.

Note-2.17: Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

Note-2.18: Derivative Contracts

The Company enters into derivative contracts in the nature of foreign currency forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

Note-2.19: Service Tax Input Credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilising the credits.

Note-2.20: Operating Cycle

Based on the nature of services/activities the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Note 3 Share capital

Particulars	As at 31-Mar-2014	
	Number of shares	Amount in INR Lacs
(a) Authorised share capital		
Equity shares of Rs.10/- each with voting rights	200,00,000	2,000.00
(b) Issued, Subscribed and fully paid up share capital		
Equity shares of Rs.10/- each with voting rights	168,22,668	1,682.27
		1,682.27

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31-Mar-2014	
	Number of shares	Amount in INR Lacs
Equity shares (with voting rights)		
At the beginning of the year	168,22,668	1,682.27
Add: Fresh issue/buyback of shares	–	–
At the end of the year	168,22,668	1,682.27

(ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10/per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by the shareholders.

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Equity shares with voting rights

Particulars	As at 31-Mar-2014
	Number of shares
ADI BPO Services Limited, the holding company	126,16,996

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31-Mar-2014	
	Number of shares held	% holding in that class of shares
Equity shares ADI BPO Services Limited	126,16,996	75.00%

Note 4 Reserves and surplus

Particulars	As at 31-Mar-2014
	INR in Lacs
(a) Foreign Currency Translation Reserve	-
Opening balance	39.77
Movement during the year	39.77
Closing balance	
(b) General reserve:	
Opening balance	427.61
Add: Transferred from surplus in Statement of Profit and Loss	434.44
Closing balance	862.05
(c) Surplus in Statement of Profit and Loss:	
Opening balance	6,154.77
Add: Profit for the year	4,214.40
Less: Interim dividend	2,859.85
Tax on dividends	486.03
Transferred to general reserve	434.44
Closing Balance	6,588.85
	7,490.67

Note 5 Long-term borrowings

Particulars	As at 31-Mar-2014
	INR in Lacs
Long-term Secured loans from Bank (Refer note (i) below)	1.80
	1.80

(i) Details of terms of repayment for the long-term borrowings including Current Maturities (Refer Note 9) and security provided.

Particulars	As at 31-Mar-2014
	INR in Lacs
Long-term Secured loans from Bank	7.32
(i) Repayable over a period of 36 monthly instalments with interest of 9.75% to 14.50% p.a., Vehicles purchased against these loans are offered as security	
Less: Current Maturities of Long-term Secured loans from Bank (As per Note 9)	5.52
	1.80

Note 6 Other long-term liabilities

Particulars	As at 31-Mar-2014
	INR in Lacs
Rent-equalisation reserve	7.42
	7.42

Note 7 Short-term borrowings

Particulars	As at 31-Mar-2014
	INR in Lacs
Unsecured Loan	362.69
	362.69

Note 8 Trade payables

Particulars	As at 31-Mar-2014
	INR in Lacs
Trade payables - Other than acceptances	1,577.89
	1,577.89

Note 9 Other current liabilities

Particulars	As at 31-Mar-2014
	INR in Lacs
(a) Current maturities of secured loan (Refer Note 5)	5.52
(b) Income received in advance (Unearned revenue)	92.54
(c) Unclaimed dividends*	0.16
(d) Rental Deposits	100.33
(e) Book Overdraft	46.71
(f) Interest accrued but not due	36.77
(g) Other payables:	
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, VAT, Service Tax, etc.)	138.36
(ii) Payables on purchase of fixed assets	32.67
(iii) Advances from customers	25.12
(iv) Others :	
Gratuity	29.97
Others	13.45
	521.60

* 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 and excludes unencashed demand drafts of INR 21.70 Lacs.

Note 10 Short-term provisions

Particulars	As at 31-Mar-2014
	INR in Lacs
(a) Provision for tax (net of payments)	109.42
(b) Provision for Compensated absences	0.49
	109.91

Note 11 Fixed assets

A. Tangible assets (Owned)	Gross block						Accumulated Depreciation			Net Block	
	Balance as at 01-Apr-2013	Additions/ Adjustments	Disposals/ Adjustments	Balance as at 31-Mar-2014	Balance as at 01-Apr-2013	For the Year	Disposals/ Adjustments	Balance as at 31-Mar-2014	As at 31-Mar-2014	INR in Lacs	
(a) Land*	405.05	-	-	405.05	-	-	-	-	405.05		
(b) Buildings*	1,430.41	-	-	1,430.41	735.03	34.77	-	769.80	660.61		
(c) Plant & Machinery	3,516.43	224.05	332.76	3,407.72	2,886.59	248.20	307.47	2,827.32	580.40		
(d) Furniture and Fixtures	446.34	22.58	51.76	417.16	399.48	26.75	49.41	376.82	40.34		
(e) Vehicles	145.42	-	35.50	109.92	61.20	19.78	24.32	56.66	53.26		
(f) Leasehold improvements	97.08	0.88	61.18	36.78	57.66	13.36	56.15	14.87	21.91		
Total	6,040.73	247.51	481.20	5,807.04	4,139.96	342.86	437.35	4,045.47	1,761.57		

B. Intangible assets (Owned)	Gross block						Accumulated Depreciation			Net Block	
	Balance as at 01-Apr-2013	Additions/ Adjustments	Disposals/ Adjustments	Balance as at 31-Mar-2014	Balance as at 01-Apr-2013	For the Year	Additions/ Adjustments	Balance as at 31-Mar-2014	As at 31-Mar-2014		
Acquired											
(a) Goodwill (Refer Note 26)	-	467.26	-	467.26	-	-	-	-	467.26		
(b) Others - Software	1,705.49	89.09	-	1,794.58	1,429.69	185.92	18.97	1,634.58	160.00		
Total	1,705.49	556.35	-	2,261.84	1,429.69	185.92	18.97	1,634.58	627.26		
Total (A) ± (B)	7,746.22	803.86	481.20	8,068.88	5,569.65	528.78	418.38	5,680.05	2,388.83		

* Land and Buildings include property located at Bengaluru (HMG Ambassador) at a cost of INR 400 lacs and INR 1,213 lacs respectively. The title to this property is jointly held with other co-owners in the name of HMG Ambassador Property Management Private Limited, represented by 1,47,50,000 equity shares of INR 10/- each representing the value of land and buildings with irrevocable right of permanent occupation.

Note 12 Long-term loans and advances

Particulars	As at 31-Mar-2014
	INR in Lacs
(a) Security deposits	
Unsecured, considered good (Refer Note below)	381.16
Doubtful	60.00
	441.16
Less: Provision for doubtful deposits	60.00
	381.16
(b) Prepaid expenses - Unsecured, considered good	9.81
(c) Advance income tax (net of provisions)	117.27
(d) Balances with government authorities - Unsecured, considered good	
(i) VAT refund receivable	6.52
(ii) Service Tax credit receivable	1,567.16
(e) Others	
Doubtful	15.76
	15.76
Less: Provision for doubtful loans and advances	15.76
	-
	2,081.92

Note:

Security Deposit includes INR 100 Lacs placed with holding company (ADI BPO Services Ltd.) as rental deposit.

Note 13 Other non-current assets

Particulars	As at 31-Mar-2014
	INR in Lacs
(a) Balances held as margin money or security against guarantees	14.35
	14.35

Note 14 Current investments

Particulars	As at 31-Mar-14	As at 31-Mar-2014
	Units '000	INR in Lacs
Investment in mutual funds		
Birla Sun Life Cash Plus - Daily Dividend Direct Plan	463.56	464.45
Kotak Liquid Scheme Plan A - Direct Plan- Daily Dividend*	21.95	268.25
DWS Ultra Short Term Fund - Direct Plan- Daily Dividend	1,497.32	150.00
Reliance Fixed Horizon Fund-XXIII Series 7 Growth Plan	2,000.00	200.00
Reliance Liquid Fund - Treasury Plan - Daily Dividend	27.58	421.37
Axis Treasury Advantage Fund - Direct Plan - Daily Dividend	24.88	250.00
	4,035.29	1,754.07
Aggregate market value of quoted investments		1,773.21

*Mutual Fund Units valued @ Rs.200 Lacs pledged with Kotak Mahindra Bank as Security towards Hedging facilities availed by the Company.

Note 15 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31-Mar-2014
	INR in Lacs
Work-in-process (Cost of type-setting and Data Digitization in progress)	782.79
	782.79

Note 16 Trade receivables (Unsecured)

Particulars	As at 31-Mar-2014
	INR in Lacs
Trade Receivable for a period exceeding six months	
Considered good	79.97
Doubtful	47.10
	127.07
Less: Provision for doubtful trade receivables	47.10
	79.97
Other Trade receivables	
Considered good	3,135.41
Doubtful	13.31
	3,148.72
Less: Provision for doubtful trade receivables	13.31
	3,135.41
	3,215.38

Note 17 Cash and cash equivalents

Particulars	As at 31-Mar-2014
	INR in Lacs
Balances with banks	
(i) In current accounts	561.12
(ii) In EEFC accounts	600.21
(iii) In demand deposit accounts	-
(iv) Unclaimed dividend accounts	0.16
	1,161.49
Out of the above the balances that meet the definition of Cash and Cash equivalents as per AS 3 Cash Flow Statement is:	1,161.33

Note 18 Short-term loans and advances

Particulars	As at 31-Mar-2014
	INR in Lacs
(a) Security Deposits	1.56
Doubtful	1.46
	3.02
Less: Provision for doubtful deposits	1.46
	1.56
(b) Loans and advances to employees	
Unsecured, considered good	9.47
Doubtful	10.17
	19.64
Less: Provision for doubtful loans and advances	10.17
	9.47
(c) Prepaid expenses	184.88
(d) Balances with government authorities	
(i) VAT credit receivable	5.52
(e) Others	
Unsecured, considered good	25.75
	227.18

Note 19 Other current assets

Particulars	As at 31-Mar-2014
	INR in Lacs
(a) Interest accrued on deposits	0.35
(b) Receivables on sale of fixed assets	1.11
(c) Others	1.34
	2.80

Note 20 Revenue from operations

Particulars	For the year ended 31-Mar-2014
	INR in Lacs
Sale of services	
(i) Exports (Earnings in Foreign Currency)	19,705.53
(ii) Domestic	22.96
	19,728.49

Note 21 Other Income

Particulars	For the year ended 31-Mar-2014
	INR in Lacs
(a) Interest income (Refer Note (i) below)	2.52
(b) Dividend Income:	
From current investments (mutual funds)	118.48
(c) Other non-operating income (Refer note (ii) below)	545.60
	666.60

Particulars	For the year ended 31-Mar-2014
	INR in Lacs
Note (i) Interest income comprises:	
(a) Interest from Banks on Deposits	2.52
	2.52
Note (ii) Other non-operating income comprises:	
(a) Rental income from operating leases	145.33
(b) Liabilities/provisions no longer required written back	239.07
(c) Provision for trade receivables no longer required written back	30.76
(d) Bad Debts/Advances Recovered	0.58
(e) Profit on Sale of Fixed Assets	16.39
(f) Miscellaneous income	113.47
	545.60

Note 22 Changes in inventories of work-in-process*

Particulars	For the year ended 31-Mar-2014
	INR in Lacs
Inventories at the end of the year:	
Work-in-process	782.79
Inventories at the beginning of the year:	
Work-in-process	889.55
	106.76

* represents cost of Type-setting and Data Digitization services in progress

Note 23 Employee benefits expense

Particulars	For the year ended 31-Mar-2014
	INR in Lacs
Salaries and wages	7,527.34
Contributions to provident and other funds (Refer Note 28)	464.43
Staff welfare expenses	476.83
	8,468.60

Note 24 Finance costs

Particulars	For the year ended 31-Mar-2014
	INR in Lacs
(a) Interest expense on:	
(i) Delayed payment of income tax	36.49
(ii) Borrowings	1.46
(iii) Others	0.48
	38.43

Note 25 Other expenses

Particulars	For the year ended 31-Mar-2014
	INR in Lacs
Consumables	44.18
Outsourcing cost	1,346.59
Power and fuel	440.62
Rent including lease rentals (Refer Note 31.1)	707.73
Hire Charges	25.75
Repairs and maintenance - Buildings	247.71
Repairs and maintenance - Plant and Machinery	144.19
Repairs and maintenance - Others	4.68
Insurance	32.45
Rates and taxes	29.92
Communication	254.81
Travelling and conveyance	514.90

(contd.)

Note 25 Other expenses (contd.)

		For the year ended 31-Mar-2014
Particulars		INR in Lacs
Legal and professional		194.10
Directors Sitting Fees		7.60
Commission to Non-executive directors		63.52
Payments to auditors (Refer Note (i) below)		66.82
Bad trade receivables written off	113.27	
Less: Provision utilised for the above	91.24	
		22.03
Advances written off	39.93	
Less: Provision utilised for the above	39.93	
		-
Provision for doubtful trade and other receivables, loans and advances		111.25
Loss on fixed assets sold/scrapped/written off		7.43
Net loss on foreign currency transactions and translation		319.32
Miscellaneous expenses		271.52
		4,857.12

Note (i)

		For the year ended 31-Mar-2014
Particulars		INR in Lacs
Payments to the auditors comprises (net of service tax input credit, where applicable):		
(i) For Audit (includes Rs.1 Lac for corporate governance reporting and Rs. 3.5 Lacs for audit of Consolidated Financial Statement)		33.50
(ii) For taxation matters		27.00
(iii) For other services		4.50
(iv) Reimbursement of expenses		1.82
		66.82

Note 26 Business Purchase

The Subsidiary Company pursuant to a Court Order has acquired the following assets/liabilities from a US entity viz., Element LLC vide Asset Purchase Agreement effective July 27, 2013. The amount paid by the Company in excess of the net assets acquired is recognised as Goodwill on acquisition, as detailed below:

Particulars	Amount INR in Lacs
Value of assets taken over:	
Plant & Machinery	27.25
Furniture & Fixtures	2.68
Software	25.50
Trade Receivables	197.34
	252.77
Liabilities taken over:	
Trade Payables	303.40
	303.40
Net Value of assets taken over;	(50.63)
Purchase Cost	416.63
Goodwill on acquisition	467.26

Note 27 Additional information to the financial statements

		As at 31-Mar-2014	
Note	Particulars	INR in Lacs	
27.1	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
	Claims against the Company not acknowledged as debts		
(a)	Income Tax		
	Relating to transfer pricing adjustments and disallowance of export commission and other deductions		853.58
(b)	Service Tax		
	Penalty and interest for delayed payments, disallowance of input credit and demand on overseas commission		675.56
(c)	Employee State Insurance (ESI) and Provident Fund (PF) vendor payments		6.56
(d)	Other Claims		256.00
	The above amounts are based on the notice of demand/Assessment Orders/claims by the relevant authorities/parties and the Company is contesting these claims. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.		
(ii)	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for: Tangible assets		57.52
			57.52
27.2	There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31-Mar-2014 (PY - INR Nil). This information has been identified on the basis of information available with the Company. This has been relied upon by the auditors.		
27.3	Details on derivatives instruments and unhedged foreign currency exposures		
(i)	Forward exchange contracts entered into to hedge foreign currency risk of highly probable transactions and outstanding as at the Balance sheet date are as under :		
	Currency	Amount in FCY Lacs	Buy/Sell
	USD	44 (72)	Sell
	GBP	11 (18)	Sell
			2,879.48 (4039.38)
			1,161.15 (1579.80)
(ii)	The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:		
	As at 31-Mar-2014		
	Receivable in Foreign Currency	Receivable Amount in INR Lacs	
	AUD 24,131	13.34	
	CAD 2,030	1.10	
	EUR 192,955	159.54	
	GBP 114,800	114.53	
	USD 879,897	527.27	
	SGD 10,051	4.78	
	As at 31-Mar-2014		
	Payable in Foreign Currency	Payable Amount in INR Lacs	
	USD 617,611	370.64	
	GBP 267,052	266.42	
	EUR 18,156	15.01	

Note 27 Additional information to the financial statements (contd.)

27.4	Value of imports calculated on CIF basis:	For the year ended 31-Mar-2014 INR in Lacs
	Capital goods	34.48

27.5	Expenditure in foreign currency:	For the year ended 31-Mar-2014 INR in Lacs
	Outsourcing Cost	434.28
	Salaries, Wages and bonus	303.25
	Rates and taxes	-
	Rent	38.35
	Legal and Professional Charges	73.09
	Repairs and Maintenance	13.80
	Travel	48.41
	Communication	118.35
	Others	204.75
		1,234.28

Disclosures under Accounting Standards

Note	Particulars																																
28.1	Employee benefit plans																																
28.1.a	Defined contribution plans The Company makes contributions to Provident Fund, Superannuation Fund and Employee State Insurance (ESI) Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised INR 329.19 Lacs for Provident Fund contributions, INR 6.30 Lacs for Superannuation Fund Contributions and INR 61.94 Lacs for ESI in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.																																
28.1.b	Defined benefit plans The Company offers the following employee benefit schemes to its employees: <ul style="list-style-type: none"> i. Gratuity (included as part of contribution to provident and other funds in note 24, employees benefit expenses) The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:																																
	INR in Lacs																																
	<table> <tr> <th>Particulars</th><th>As at 31-Mar-2014</th></tr> <tr> <td>Components of employer expense</td><td></td></tr> <tr> <td>Current service cost</td><td>45.28</td></tr> <tr> <td>Interest cost</td><td>30.62</td></tr> <tr> <td>Expected return on plan assets</td><td>(30.99)</td></tr> <tr> <td>Actuarial losses/(gains)</td><td>(19.86)</td></tr> <tr> <td>Total expense recognised in the Statement of Profit and Loss</td><td>25.05</td></tr> <tr> <td>Actual contribution and benefit payments for year</td><td></td></tr> <tr> <td>Actual benefit payments</td><td>(68.89)</td></tr> <tr> <td>Actual contributions</td><td>28.66</td></tr> <tr> <td>Net asset/(liability) recognised in the Balance Sheet</td><td></td></tr> <tr> <td>Present value of defined benefit obligation</td><td>(375.53)</td></tr> <tr> <td>Fair value of plan assets</td><td>345.55</td></tr> <tr> <td>Funded status [Surplus/(Deficit)]</td><td>(29.98)</td></tr> <tr> <td>Unrecognised past service costs</td><td>-</td></tr> <tr> <td>Net asset/(liability) recognised in the Balance Sheet</td><td>(29.98)</td></tr> </table>	Particulars	As at 31-Mar-2014	Components of employer expense		Current service cost	45.28	Interest cost	30.62	Expected return on plan assets	(30.99)	Actuarial losses/(gains)	(19.86)	Total expense recognised in the Statement of Profit and Loss	25.05	Actual contribution and benefit payments for year		Actual benefit payments	(68.89)	Actual contributions	28.66	Net asset/(liability) recognised in the Balance Sheet		Present value of defined benefit obligation	(375.53)	Fair value of plan assets	345.55	Funded status [Surplus/(Deficit)]	(29.98)	Unrecognised past service costs	-	Net asset/(liability) recognised in the Balance Sheet	(29.98)
Particulars	As at 31-Mar-2014																																
Components of employer expense																																	
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Contd.

Disclosures under Accounting Standards (contd.)

Note	Particulars																																																
29.1	<p>Segment information</p> <p>The Group operates in one business segment of providing publishing solutions viz., typesetting and data digitization services and is considered to constitute a single segment in the context of primary segment reporting as prescribed by Accounting Standard 17 - “Segment Reporting”.</p> <p>The Group’s operations are managed on a worldwide basis from India and United States of America and they operate in four principal geographical areas viz., India, Europe, United States of America and Rest of the World. The secondary segment is identified to these geographical locations.</p> <p>Details of secondary segment by geographical locations are given below:</p> <table><tr><th colspan="2">Revenue by location of customer</th><th>For the Year ended 31-Mar-2014 INR in Lacs</th></tr><tr><td>India</td><td></td><td>22.96</td></tr><tr><td>Europe</td><td></td><td>8,850.28</td></tr><tr><td>USA</td><td></td><td>10,347.03</td></tr><tr><td>Rest of the World</td><td></td><td>508.22</td></tr><tr><td>Total</td><td></td><td>19,728.49</td></tr></table> <table><tr><th colspan="2">Carrying amount of Segment Assets by geographical location</th><th>As at 31-Mar-2014 INR in Lacs</th></tr><tr><td>India</td><td></td><td>7,122.12</td></tr><tr><td>Europe</td><td></td><td>1,861.34</td></tr><tr><td>USA</td><td></td><td>2,451.79</td></tr><tr><td>Rest of the World</td><td></td><td>99.71</td></tr><tr><td>Total</td><td></td><td>11,534.96</td></tr></table> <table><tr><th colspan="2">Cost incurred for purchase of Tangible Assets and Intangible Assets by geographical location</th><th>As at 31-Mar-2014 INR in Lacs</th></tr><tr><td>India</td><td></td><td>276.27</td></tr><tr><td>USA</td><td></td><td>527.58</td></tr><tr><td>Total</td><td></td><td>803.85</td></tr></table>	Revenue by location of customer		For the Year ended 31-Mar-2014 INR in Lacs	India		22.96	Europe		8,850.28	USA		10,347.03	Rest of the World		508.22	Total		19,728.49	Carrying amount of Segment Assets by geographical location		As at 31-Mar-2014 INR in Lacs	India		7,122.12	Europe		1,861.34	USA		2,451.79	Rest of the World		99.71	Total		11,534.96	Cost incurred for purchase of Tangible Assets and Intangible Assets by geographical location		As at 31-Mar-2014 INR in Lacs	India		276.27	USA		527.58	Total		803.85
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Disclosures under Accounting Standards (contd.)

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30.b	Details of related party transactions during the year ended 31 Mar, 2014 and balances outstanding as at 31 Mar, 2014:																																																																	
	<table><tr><th colspan="5">INR in Lacs</th></tr><tr><th></th><th>Holding Company</th><th>KMP</th><th>Relatives of KMP</th><th>Total</th></tr><tr><td>Purchase of fixed assets</td><td>40.41</td><td>–</td><td>–</td><td>40.41</td></tr><tr><td>Rent</td><td>275.82</td><td>–</td><td>–</td><td>275.82</td></tr><tr><td>Reimbursement of expenses</td><td>6.08</td><td>–</td><td>–</td><td>6.08</td></tr><tr><td>Dividend</td><td>2,144.89</td><td>–</td><td>–</td><td>2,144.89</td></tr><tr><td>Remuneration:</td><td></td><td></td><td></td><td></td></tr><tr><td>Nishith Arora</td><td>–</td><td>157.79</td><td>–</td><td>157.79</td></tr><tr><td>Rahul Arora</td><td>–</td><td>48.98</td><td>10.79</td><td>59.77</td></tr><tr><td>Yamini Tandon</td><td>–</td><td>–</td><td>3.44</td><td>3.44</td></tr><tr><td>Balances outstanding at the end of the year</td><td></td><td></td><td></td><td></td></tr><tr><td>Security Deposit Placed (Refer Note 12)</td><td>100.00</td><td>–</td><td>–</td><td>100.00</td></tr><tr><td>Payables on account of reimbursement of expenses</td><td>6.08</td><td>–</td><td>–</td><td>6.08</td></tr></table>	INR in Lacs						Holding Company	KMP	Relatives of KMP	Total	Purchase of fixed assets	40.41	–	–	40.41	Rent	275.82	–	–	275.82	Reimbursement of expenses	6.08	–	–	6.08	Dividend	2,144.89	–	–	2,144.89	Remuneration:					Nishith Arora	–	157.79	–	157.79	Rahul Arora	–	48.98	10.79	59.77	Yamini Tandon	–	–	3.44	3.44	Balances outstanding at the end of the year					Security Deposit Placed (Refer Note 12)	100.00	–	–	100.00	Payables on account of reimbursement of expenses	6.08	–	–	6.08
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	1. No amount has been written off/written back during the year in respect of dues from/to related parties.																																																																	
30.c	The remuneration to Key Management Personnel includes Rs. 48.98 Lacs paid as remuneration to Mr Rahul Arora, Whole Time Director effective from August 12, 2013. An application was made to the Central Government pursuant to Section 269, 310 read with Part A of Schedule XIII since Mr. Rahul Arora was not a resident in India for a continuous period of 12 months immediately preceding the date of his appointment as a Whole Time Director. The Central Government has taken on record the aforesaid application and has informed vide their letter dated January 9, 2014 that the matter will be further examined on receipt of the shareholders' approval. Accordingly, the above is subject to approval of the shareholders and the Central Government.																																																																	

Disclosures under Accounting Standards (contd.)

Note	Particulars	For the Year ended 31-Mar-2014
		INR in Lacs
31.1	Details of leasing arrangements	
	As Lessee	
	The Company has entered into cancellable and non-cancellable operating leases for office premises and cancellable leases for vehicles. Lease rentals recognised in respect of such operating leases in the Statement of Profit and Loss is:	707.73
	The total of future minimum lease payments in respect of premises taken on lease under non-cancellable operating leases are as follows:	
	Future minimum lease payments	
	not later than one year	211.74
	later than one year and not later than five years	166.99
	later than five years	-
		378.73

Note	Particulars	For the Year ended 31-Mar-2014
		INR in Lacs
31.2	Earnings per share	
	Basic	
	Net profit for the year/period attributable to the equity shareholders (Rs in Lacs)	4,214.40
	Weighted average number of equity shares	168,22,668
	Par value per share (Rs.)	10.00
	Earnings per share - Basic and diluted (Rs.)	25.05

Note	Particulars	As at 31-Mar-2014
		INR in Lacs
31.3	Deferred tax (liability)/asset	
	Tax effect of items constituting deferred tax liability	
	On difference between book balance and tax balance of fixed assets:	(19.63)
		(19.63)
	Tax effect of items constituting deferred tax asset	
	Provision for compensated absences, gratuity and other employee benefits	40.74
	Provision for doubtful trade receivables/advances	45.28
	Others	59.05
		145.07
	Net Deferred Tax Asset/(Liability)	125.44

32 Details of the subsidiary company (MPS NA LLC) consolidated for the year ended 31 March, 2014:

Particulars	
Period of the Financial Statements considered	May 29, 2013 (being date of Incorporation) to March 31, 2014
Currency	USD
Share capital	1,047.24
Reserves	(90.27)
Total assets	1,097.25
Total liabilities	1,097.25
Details of Current and Non-Current Investment (except Investment in Subsidiaries)	Nil
Turnover	899.28
Profit/(Loss) before taxation	(199.18)
Provision for taxation	(69.14)
Profit/(Loss) after taxation	(130.04)
Proposed Dividend	Nil

Notes

(i) For converting the figures given in foreign currency appearing in the accounts of the subsidiary companies into equivalent INR, following exchange rates are used for 1 INR

Sr. No.	Currency	Balance Sheet (Closing Rate)	Statement of Profit and Loss (Average Rate)
1	USD	59.92	62.53

(ii) The above information is extracted from the Financial Statements of the Subsidiary considered in the Consolidated Financial Statements, which have been subject to audit by the Statutory Auditors solely for the purpose of inclusion in the Consolidated Financial Statements.

For and on behalf of the Board of Directors

Nishith Arora
Chairman and Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Supriya Kumar Guha
Company Secretary

Place: Mumbai
Dated: 22-May-2014

MPS LIMITED

Regd Office: RR Towers, Super A, 16/17 TVK Industrial Estate, Guindy, Chennai - 600 032, INDIA.
CIN: L22122TN1970PLC005795, Phone: 91 44 4916 2222, Fax: 91 44 4916 2225, Email: investor@cameoindia.com, Website: www.adi-mps.com

ATTENDANCE SLIP

1. Name and Address:
2. Joint Holder(s):
3. E-mail ID:
4. FOLIO/DP ID./CLIENT ID:

ELECTRONIC VOTING PARTICULARS		
EVSN [E-voting Sequence Number]	User ID	Password/PIN

I/We hereby certify that I/We am/are registered Member/Proxy for the registered Member of the Company and hereby record my/our presence at the **Annual General Meeting** of the Company held on **Friday, August 8, 2014 at 10:30 a.m.** at **My Fortune Chennai, 10 Cathedral Road, Chennai 600 086** or at any adjournment thereof in respect of such resolutions as mentioned in the Notice.

Name of the Registered Holder/Proxy (IN BLOCK LETTERS)	Signature of the Registered Holder/Proxy

NOTE: Members/Proxies to Members are requested to sign and handover this slip at the entrance of the venue of the Meeting.

MPS LIMITED

Regd Office: RR Towers, Super A, 16/17 TVK Industrial Estate, Guindy, Chennai - 600 032, INDIA.
CIN: L22122TN1970PLC005795, Phone: 91 44 4916 2222, Fax: 91 44 4916 2225, Email: investor@cameoindia.com, Website: www.adi-mps.com

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L22122TN1970PLC005795

Name of the company: MPS LIMITED

Registered office: RR Towers, Super A, 16/17 TVK Industrial Estate, Guindy, Chennai - 600 032, INDIA.

1. Name and Address:
2. Joint Holder(s):
3. E-mail ID:
4. FOLIO/DP ID./CLIENT ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name: Address:
E-mail Id: Signature: or failing him
2. Name: Address:
E-mail Id: Signature: or failing him
3. Name: Address:
E-mail Id: Signature:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Annual General Meeting** of the Company held on **Friday, August 8, 2014 at 10:30 a.m.** at **My Fortune Chennai, 10 Cathedral Road, Chennai 600 086** or at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. 2. 3. 4.

Signed this day of 2014

Signature of shareholder

Signature of Proxy holder(s)

Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.