POISED TO CAPITALISE ON NEW OPPORTUNITIES_

MPS LIMITED

45TH ANNUAL REPORT 2014-15

KEY INFORMATION_

Chairman
Mr. Nishith Arora

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

Independent Director
Mr. Ashish Dalal

Independent Director
Mr. Vijay Sood

Chief Executive Officer & Whole Time Director
Mr. Rahul Arora

Chief Financial Officer
Mr. Sunit Malhotra

Company Secretary
Mr. Hitesh Kumar Jain

Auditors
Messrs Deloitte Haskins & Sells
7th floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase II
Gurgaon 122 022
Haryana

Bankers
BNP PARIBAS
Salarpuria Windsor, Ground Floor, No.3, Ulsoor Road, Bengaluru – 560 042, Karnataka

Kotak Mahindra Bank Limited
Kotak Aerocity , Asset Area 9, 1st Floor, Corporate Banking, Ibis Commercial Block, Hospitality district, IGI Airport, New Delhi - 110 037

Corporate Office
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Registered Office
RR Towers IV, Super A, 16/17, Thiru-vi-ka Industrial Estate, Guindy, Chennai – 600 032

Other Offices
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- 340 Udyog Vihar, Phase IV, Gurgaon, Haryana 122016
- Ground Floor NSIC Bhavan, STP Complex, Okhla Industrial Estate, New Delhi 110 020
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USA
1717 NE 42nd Avenue, Suite 2101, Portland, Oregon 97213

Subsidiary
MPS North America LLC
5750 Major Blvd., Suite 100, Orlando, Fl 32819

Registrars and share transfer agents
Cameo Corporate Services Limited
Subramanian Building, 1, Club House Road, Chennai – 600002

POISED TO CAPITALISE ON NEW OPPORTUNITIES_

This Annual Report explains how MPS Limited intends to capitalize on emerging opportunities in the global publishing industry.

The global publishing industry holds out exciting upsides for publishing companies that can adapt with speed to the evolving technology-driven industry environment.

MPS Limited is attractively poised to ride this transition through timely acquisitions, deeper presence in the world's largest publishing market and sizable available resources to drive its inorganic growth agenda.

The combination of these initiatives is expected to catalyse growth, margins and shareholder value.

MPS LIMITED AIMS TO EMERGE AS ONE OF THE FASTEST GROWING SERVICE PROVIDERS IN THE GLOBAL PUBLISHING INDUSTRY. THE COMPANY PROVIDES COMPLETE END-TO-END PUBLISHING SOLUTIONS ACROSS THE AUTHOR-TO-READER VALUE CHAIN.

OUR SERVICES INCLUDE CONTENT DEVELOPMENT, PRINT AND DIGITAL PUBLISHING SERVICES, TECHNOLOGY SOLUTIONS, RICH MEDIA PRODUCTS AND CUSTOMER SERVICES FOR EDUCATIONAL, TRADE, AND SCHOLARLY PUBLISHERS.

MAKING MPS A ONE-STOP DESTINATION FOR SOME OF THE LARGEST PUBLISHING COMPANIES IN THE WORLD_

Lineage

MPS Limited is a Group Company of ADI BPO Services Ltd. The Company was acquired from Macmillan UK, which, in turn, had been acquired by Verlagsgruppe Georg von Holtzbrinck, Germany, in 1999. A rich combination of domain insights and technology capabilities has enabled MPS to emerge as one of the leading publishing services outsourcing companies.

Management

The Company is headed by Mr. Nishith Arora (Executive Chairman), Rahul Arora (Chief Executive Officer) and supported by a senior professional management team that heads strategic business units and key functions.

Credentials

MPS Limited has been certified by ISO 9001:2008 for quality, ISO/IEC 27001:2005 for information security and PCI Data Security Standard (PCI DSS) for its credit card payment gateways.

Major acquisitions by MPS North America, LLC

2013: Element LLC, based in Orlando (US), specialises in publishing services for the education sector, focusing on the pre-K and K-12 segments.

2014: Electronic Publishing Services Inc (EPS) is a leading US-based service provider to the higher educational and professional publishing markets.

2015: TSI Evolve (US) specializes in the reading discipline with a history of working with leading publishing majors (McGraw-Hill, Pearson, Triumph Learning, Worth Publishing, HMH and Cengage among others).

The Group has integrated these entities, widened service offerings, added marquee clients and extended into newer geographies.

Service offerings

Books and journals publishing services: MPS provides a diverse range of prepress publishing services for the educational, professional, STM, academic and trade publishers.

Digital services: MPS provides services to publishers related to the transformation of content from various input formats to multiple digital formats, including e-Books.

MPS 360 customer services: MPS provides complete end-to-end customer support and subscription management services for print and online products that encompass order fulfillment, customer support and subscription management.

MPS Technologies: MPS uses its in-house software development division to provide distinctive, innovative and customized software solutions to publishers.

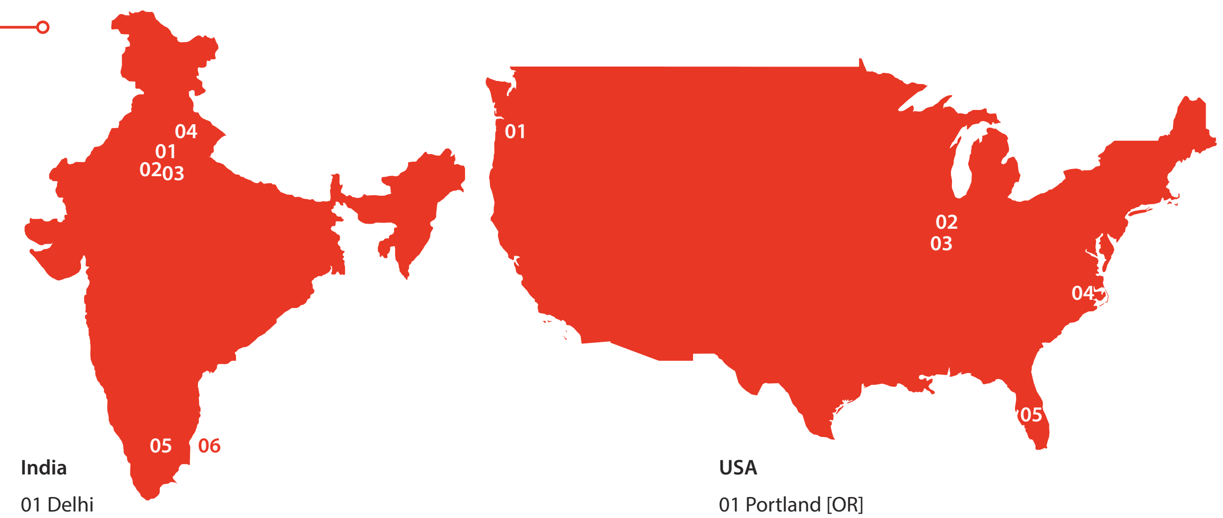
Learning and New Media services: MPS develops engaging and interactive digital learning solutions for educational publishers by using multimedia tools to be used as learning aids.

MPS Database & Directory Publishing services: MPS provides services that involve the creation of databases, production services for database and directory publishers as well as the preparation of high-quality print, online and mobile advertisements.

Listing

MPS Limited shares are listed and actively traded on the NSE (National Stock Exchange of India Limited) and BSE (BSE Limited). The market capitalization of MPS Ltd. as on March 31, 2015 was ₹1759 cr.

Presence



India

01 Delhi
02 Gurgaon
03 Noida [Headquarter]
04 Dehradun
05 Bengaluru
06 Chennai

USA

01 Portland [OR]
02 Champaign [IL]
03 Effingham [IL]
04 Durham [NC]
05 Orlando [FL]

Clientele

CHAIRMAN'S OVERVIEW_

There is an exciting transformation sweeping the global publishing industry, creating uncertainty for conventional business models on the one hand and empowering those who are prepared to move and adapt with speed on the other.

Changes

Consider some of the changes that we see in our everyday lives.

When we need our children to study something, we are more likely to get on to educational sites than just rely on a text book.

When we need to study something as part of a course. There is a good possibility that we may be more comfortable downloading the information from a site owned by a publisher.

When we study downloaded text, we are more likely to seek related references than merely browse through the text.

When we seek downloaded content, it is increasingly possible that we may need the information on a tablet or a smartphone rather than a desktop computer.

All this is driving change in the global publishing industry faster than ever. The result is that the sales of printed books is stagnating, digitized content as a proportion of overall publisher revenues has increased. While the growth of the global publishing industry is now in the low single-digits, a number of older publisher business models need to transform the way they do business, else survival could be an issue.

As an extension of this reality, library budgets are being pruned, universities are changing their procurement systems, alternative learning opportunities are increasing and assessment platforms are making appraisals immediate, interactive and dynamic.

Adapting to change

So what are some of these large publishing houses really doing to adapt and stay competitive?

Faced with the current challenges, a number of global publishing houses are opting to create some content in-house but progressively outsourcing a larger part of their requirements. A number of companies that never considered outsourcing are beginning to do so, a welcome trend. They are evolving into content providers for increasingly used platforms by users. They are rationalizing their vendors, selecting to work with a few, promising these few vendors larger volumes in exchange for lower costs, selecting vendors who can provide a wider services bandwidth, preferring to work with technology-driven vendors, shortlisting vendors who possess a track record of faster turnaround and, in turn, selecting to focus largely on branding, technology and marketing and using their sales and distribution reach to carve out a larger market.

Sweet spot

At **MPS**, we recognise the need to strengthen the business of our customers far beyond a mere wage arbitrage opportunity. We need to delight customers through every engagement. We need to graduate towards processes and systems that make the delivery of projects and services dependable and predictable.

MPS is at the sweet spot of a global inflection point for a number of reasons.

One, there is a growing customer preference to work with companies that provide complete end-to-end solutions. MPS provides the widest complement of services – technology services, project management, content enrichment services and digital services – among global companies of our scale.

We possess technology capabilities to not only address the conventional segment (journals and books) but also to create technology-intensive platforms and workflow management system for smaller publishers.

Two, we have restructured our presence across strategic business units that makes it possible for these businesses to be provided with adequate resources to grow sustainably on the one hand and be accountable in terms of deliverables to the overall company on the other. As part of this reorganization, the Company has reallocated responsibilities with my role as Chairman divorced from day to day operations and focused on strategy, acquisitions, their integration and the long-term fiscal health of the MPS Group. Rahul Arora as CEO will manage and grow the current operations in India and the US while continuing to engage with our client base.

Three, our businesses are growing and likely to do even better. Our largest customer accounts are growing; revenues from our ten largest customers increased from 75 to 81 per cent in 2014-15 even as our Consolidated Total Revenue increased 13 per cent. Besides, following the acquisition of three companies based in the US (providing us with customer-facing executives across business segments), we now possess an even stronger presence in the largest publishing market in the world, which should make it possible for us to enhance customer confidence, market share and revenues.

Four, towards the later part of 2014-15, we mobilized ₹150 cr in growth capital through a QIP issue, which was subscribed to by HDFC Mutual Fund and Goldman Sachs (amongst others), reposing confidence in our business model and strategy.

Five, the growth that could accrue from this point onwards for all the reasons I have mentioned above can be addressed adequately with our current resources. Over the last few years, we have invested in people and processes while consolidating our physical presence. We feel there is still operating headroom to enhance people productivity. We are presently running most of our facilities on a single-shift basis and there is attractive operating leverage for us to increase head count without needing to rent or buy additional facility. The scope for expansion at Dehradun is considerable.

In the last Financial Year, MPS reported yet another year of profitable growth. Even as our revenue increased 13.48 per cent to ₹223.87 cr, our Profit After Tax increased from ₹42.14 cr. to ₹61.44 cr. Our Earnings per Share (on the diluted post-QIP placement) increased from ₹25.05 to ₹36.38.

Optimism

At MPS, we are optimistic of our prospects for the various reasons mentioned in my overview. During the current Financial Year, the first full year following all three acquisitions, we expect to enhance our presence in the US market. We expect to mine our customer accounts deeper and enhance revenues from margin-accretive technology products and services. In terms of acquisitions, we expect to attract companies/businesses with complementary competencies that add value to our client offerings.

In view of these possibilities, we are optimistic about our future. What we have reported in the last few years was attractive; what we could now deliver may be truly exciting.

Nishith Arora
Chairman

Our forward-looking strategy_

Enhance the number of projects where we are the core vendor
Leverage the full value of our US acquisitions
Acquire more companies with complementary capabilities
Increase our technology-intensive platform offerings
Mine customer accounts deeper

MANAGEMENT OVERVIEW, 2014-15

Q: Was the management pleased with the Company's performance during the year under review?

The MPS management was fairly pleased with the Company's working. Even as the global business and customer environments remained challenging, the Company reported its 4th successive year of profitable growth. This reality was marked by a percentage increase in our profits being higher than the percentage increase in our revenues, which is a succinct reflection of our positioning and competitive advantage.

Q: What were some of the challenges addressed by the Company during the year under review?

It would appear from our performance that the external environment was smooth. However, the reality was the opposite. For one, there was a greater expectation from our shareholders that we would sustain profitable growth with higher percentage numbers on a larger revenues base. The Company needed to make responsible market disclosures by walking the thin line that could service analyst needs without affecting competitiveness. The Company was faced with increasing requests for performance guidance (which it declined to provide).

Q: How did the Company address these challenges leading to yet another year of profitable growth?

At MPS, profitable growth was not derived from any single factor; it was derived from a combination of a number of initiatives that we initiated across the years and during the year under review.

In a business that is continuously evolving based on widening customer needs, we created new technology-led products that helped plug portfolio gaps and strengthen the holistic value of our offerings. This helped increase our revenues 13.48 per cent to ₹223.87 cr in the Financial Year 2014-15.

In a business where people costs account for the largest single revenue expenditure, we were able to moderate our people costs from 56 per cent of revenues in the Financial Year 2011-12 to 42 per cent of revenues in the Financial Year 2014-15. This rationalization was achieved through a more precise allocation of a person to job, productivity benchmarking and ongoing output measurement with the objective to enhance organization throughput.

In a business where customers are always seeking to derive a superior value proposition from their vendors, we selected to increasingly allocate work from higher-cost urban Indian locations to competitive locations like Dehradun, raising the headcount at the latter location from 618 to 915 during the Financial Year 2014-15.

In a business where marketing costs are high, we successfully mined our existing customers for a large share of their spending, as a result of which revenues from our ten largest customers increased from 75 per cent in Financial Year 2013-14 to 81 per cent in Financial Year 2014-15 (on a larger revenue base).

In a business where solutions are evolving from the conventional to the contemporary, we further consolidated technology revenues.

A combination of these initiatives made it possible to become increasingly profitable, with each round of revenue growth.

Q: In what way did the Company strengthen its competitive position during the year under review?

The MPS management recognised that over the last few years its cost management had been adequately moderated and the room to explore further gains in this area was relatively limited. On the contrary, the time had now come to aggressively increase revenues. The biggest initiative in this regard comprised acquisitions of US companies (Element, EPS and TSI) that possess competencies in complementary educational spaces. Besides, these acquisitions would strengthen our presence on US soil, enhance customer confidence and graduate US revenues of our subsidiary from 9 per cent of our total revenues to the next level.

Q: How does the Company expect to unleash value from these acquisitions in the Financial Year 2015-16?

We are optimistic of how the acquisitions will drive our US revenues for a number of reasons. The US is our single largest market, so a stronger customer interface will make it possible for us to generate larger revenues from this region. During the acquisitions, we were prudent to acquire only the customers, employees and brand – no hidden liabilities – so we have begun to generate value from these companies with minimal gestation. The Company was cautious in the price paid for these acquisitions and bought them while they were close to their respective breakeven points, creating a potentially remarkable upside for us. Because these acquisitions were made in complementary business spaces, we expect to provide a complete bouquet of offerings that will strengthen our proposition as one-stop service provider. Best of all, our acquisitions were made with the blessings of the leading customers of those organizations, translating into revenue visibility.

Q: How does the Company expect to strengthen its performance in Financial Year 2015-16?

The Company expects that stronger US customer mining will account for a larger wallet share. The Company has capped its manpower cost as a percentage of revenue, exercising its judgment with regard to hiring or outsourcing. The increased marketing of MPSTrak and MPSInsight as standalone products are expected to generate increased product revenues. Our proven competence in the Fulfillment niche is expected to enhance revenues. The result is that the Company expects increased revenues to strengthen margins.

Q: What is the basis of the Company's optimism?

It would be relevant to mention that wage arbitrage as the principal basis of the Company's growth is no longer relevant. The Company is one of the most specialized global service providers within its industry niche. The biggest cost centre for a large publisher lies in the production segment, which accounts for MPS's core competence. Over time, the Company has established its competence in moderating costs within this segment through a mix of service and product solutions. At a time when the large global publishers are rationalising their vendors and promising them larger volumes in exchange for lower realisations, MPS is attractively placed to carve out a larger slice of revenues that can potentially make its customers more competitive.

Q: What is the Company's vision?

At MPS, we are particularly pleased about the bandwidth of competencies that we possess today. Our understanding is that few of our peer companies enjoy revenues that are higher than our existing topline, so our first objective will be to play catch-up and get to the higher level through organic and inorganic initiatives. At MPS, we have created valuable currency in our market capitalization, which made it possible to mobilize ₹150 cr through a QIP in the later part of the last Financial Year, with the express intention to acquire more companies and fast-track our growth. We are attractively placed to leverage our considerable operating headroom available with us in the form of physical space at our units, our technology-driven scalability and our established turnaround competence.

How we performed in 2014-15

223.87

(in ₹ cr) Revenues in the Financial Year 2014-15 against ₹197.28 cr in the Financial Year 2013-14

13.48%

Rise in revenues in the Financial Year 2014-15 to ₹223.87 cr

42%

Moderating people costs from 56 per cent of revenues in the Financial Year 2011-12 to 42 per cent of revenues in the Financial Year 2014-15

Raised growth capital

MPS mobilised ₹150 cr through a QIP in the Financial Year 2014-15, with the express intention to acquire more companies and fast-track our growth.

Revenues and profitability

Even in a challenging environment, MPS reported its fourth successive year of profitable growth, with a higher percentage increase in our profits than the percentage increase in our revenues.

Prudent acquisition

MPS prudently acquired only the customers, employees and brand – no hidden liabilities. This resulted in value generation from these companies with minimal gestation.

OUR BUSINESS MODEL_

The story of MPS Limited can be segregated into two parts – pre-acquisition and post-acquisition.

In the pre-acquisition phase of the Company's existence, MPS Limited was part of Macmillan UK. Globally, Macmillan UK was acquired by Verlagsgruppe Georg von Holtzbrinck in 1999, following which the latter company decided to disinvest its Indian business in due course. The Company was sold to the current promoters of MPS Ltd in October 2011. As a result, MPS Ltd inherited the multi-decade knowledge capital of Macmillan UK, which continues to be a defining aspect of its business model.

In the post-acquisition phase, the promoters of MPS Ltd invested specific priorities, such as moderating costs, strengthening revenues and enhancing overall competitiveness. More specifically, it identified guidelines on how it would conduct business and how it would not, laying the foundations of its business model (explained in this section).

The enunciation of the business model is important in the context of the Company's operating landscape. The global publishing industry is passing through a decisive transformation. As educational delivery evolves from the conventional and printed format to virtual and online equivalents, there is a greater priority for business models to completely transform. Even as this transformation is threatening the existence of conventional companies, it is opening new and exciting opportunities for those adapting to change.

Focus

At MPS, we are a focused player providing services and products addressing the growing needs of the global publishing industry. Over the years, this focus has strengthened our brand among customers and investors.

Sustainable growth

At MPS, we believe we will endure as a business if we leave adequate value on the table for our vendors, customers, employees and ourselves. A long-termism guides our decision making. We have invested in our business with the objective to enhance sustainability. This overarching objective is reflected in every decision that we have taken – the acquisitions, the need to enhance our presence in North America, our overall cost structure, the industry spaces that we have selected to be present in, and our preference to remain extensively under-borrowed. These decisions have helped us report profitable growth for, the last four successive years.

Liquidity priority

At MPS, we pursue a resource-light approach model, which is reflected in our decision to buy or rent space, our terms of trade, our cost management and the prudent price for acquisitions. For instance, our purchase cost for three acquisitions cumulatively amounted to ₹15 cr, representing just 17 per cent of our aggregate net cash flow from operating activities of ₹88 cr earned in the last two years. Besides, the Company selected to consciously moderate employee costs: from 56 per cent of revenues in the Financial Year 2011-12 to 42 per cent of revenues in the Financial Year 2014-15. The result of this conservatism has been a virtually negative working capital cycle, absence of debt on our books, moderate capital expenditure, attractive return on capital employed (81 per cent in the Financial Year 2014-15) and growing free cash from operating activities (₹50.36 cr in the Financial Year 2014-15).

Customer focus

At MPS, we are focusing on opportunities coming out of the 50 largest global publishing companies. These companies provide volume and value assignments. They provide us with adequate room to make a significant cost difference. They provide visibility and excellent reference that can help widen the business. The proportion of revenues from our ten largest customers increased from 75 per cent per cent revenues in the Financial Year 2013-14 to 81 per cent in the Financial Year 2014-15. However, the Company also expects to leverage its technology competence to address the growing needs of a number of small publishers.

Geographic focus

At MPS, we feel that the presence in the right geographies can be business-critical. On the one hand, we expect to grow our marketing presence in regions (North America and Europe) that are marked by the largest publishing companies and rising business costs (hence the need for outsourcing), where we can generate the largest business volumes. We strengthened this geographic positioning through three acquisitions in North America in the last two years. On the other hand, we expect to grow our presence in locations (Dehradun, for instance) where it would be possible to deliver first-rate quality at one of the lowest operating costs (people and space). The combination of the two has helped create an opportunity value chain that is translating into a superior customer value proposition and attractive MPS profitability.

Offshoring model

At MPS, we recognise that our major customers are based in North America while our service delivery capabilities are based in India. We have selected to connect the two – customers and vendor – through an offshoring model adapted to the needs of our business. We have deployed a customer interfacing team in the US, the world's largest market. Their primary responsibility will be map emerging and existing customer needs, enhance customer confidence of our presence in that region and continue communicating with customers about evolving competencies within our Company. Members of this customer interfacing team are even present in the US, and are serviced by a different team in the US who possess a real-time understanding of our service delivery centres in India. This second US team works extensively with a team across our various delivery centres in India, who, in turn, are plugged into employees across workstations. This seamless customer-to-workstation extension makes it possible to provide continuous customer assurance of projects status at all times, identify probable bottlenecks and inspire proactive course correction. The robustness of this model is showcased in rising overall revenues and larger revenues per customer.

Core vendor

At MPS, our objective is not merely to be a vendor, but to evolve into a core vendor for large publishing companies. This core vendorship would be more in the form of an active partnership where a multi-year engagement is underlined by a collaborative ethos where a service provider like us is completely focused on strengthening the business of our customers rather than merely providing them with a service. We are happy to report that we had two major successes in this regard in 2014-15. We inherited a core vendor relationship through our TSI acquisition; in another account, we emerged as a core vendor through a multi-vendor appraisal process at a time when the customer was rationalizing vendors.

Productivity focus

At MPS, we recognise that as large publishing companies strive to enhance their viability, they will seek lower costs from their vendors. The reality is that project realisations are declining. At MPS, we are offering customers with a superior price-value proposition, wherein we are compensated by larger projects from our existing customers. Besides, we have reinforced our competitiveness through the extension of our presence in lower cost locations (Dehradun accounting for 915 of our 2792 employees) coupled with prudent manning and productivity-enhancing processes. The result is that revenues per worker increased from ₹55,400 in the Financial Year 2011-12 to ₹66,000 in the Financial Year 2014-15; people cost as a proportion of revenues declined from 56 per cent in the Financial Year 2011-12 to 42 per cent in the Financial Year 2014-15.

Customer engagement

At MPS, the basis of our customer engagement has extended far beyond a wage arbitrage opportunity. In an environment where our customers need to adapt with speed to fast-changing environments arising out of the convergence of the internet, mobility and virtual interactivity, our services enhance their responsiveness. In an environment where customers need to become more profitable, we have reduced operating costs with the objective of passing this benefit to customers in exchange for progressively larger multi-year offshoring volumes. In an environment where customers are rationalizing vendors, we seek to strengthen existing customer relationships and mine deeper with the objective to upsell and cross-sell and, in doing so, carve out a larger share of their spending. In a number of large customers, we grew our presence from one segment to three segments within a few years.

Multi-segment revenues

At MPS, we have selected to position ourselves as an end-to-end solutions provider. We believe that this positioning achieves a number of business advantages: primarily, it strengthens our brand in the international markets, it provides clients the assurance that we possess complete competencies, it provides them with convenience should they select to move us from one business

The validation of our business model

12% Return on capital employed, from Jan 2011-Mar 2012 (Standalone)

45% Return on capital employed, in Financial Year 2012-13 (Standalone)

63% Return on capital employed, in Financial Year 2013-14 (Consolidated)

81% Return on capital employed, in Financial Year 2014-15 (excluding funds raised in the QIP) (Consolidated)

The tangible results of our business model

127.42 Revenues, FY10 (in ₹ cr)

223.87 Revenues, FY15 (in ₹ cr)

(8.81) Profit after tax, FY10 (in ₹ cr)

61.44 Profit after tax, FY15 (in ₹ cr) segment to another without needing to change vendors, de-risks us from a temporary decline in a probable market and provides us with a diverse revenue mix (services, annuity and products).

Technology emphasis

At MPS, we recognise that as downstream customer environment evolves from conventional print to the virtual media, a number of legacy capabilities will need to be replaced with technology-enabled offerings. Over the years, the Company invested in this technology space through the creation of a distinctive strategic business unit. The Company's strong suite of SAAS (software as a service) comprises workflow management (MPSTrak), editing and automated composition (MPS DigiCore) and business analytics (MPS Insight). The creation of technology-enabled platforms will address a growing market for small publishers, evolving the Company towards higher margins and the complex technology end, strengthening the brand.

Value-addition

At MPS, one of the critical drivers of our success is our revenue mix. We do not wish to be present in spaces where we can derive the largest volumes; we wish to be present in spaces that can generate an optimal mix of volume and value. However, we recognise that some business segments may be presently low on the volume-value matrix, but justify their place within our offerings because they complete our bouquet and as business environments evolve, their relevance could increase. Journals accounted for the largest revenue slice at 33 per cent in 2014-15, a prudent balance of value and volume, followed by books at 26 per cent and MPS North America, LLC (cumulative mix of our acquired companies) at 9 per cent. We are particularly optimistic that MPS Technologies could far outgrow its 8 per cent share of revenues in 2014-15 across the foreseeable future.

Acquisitions

At MPS, there is a perceptible shift in our sector as companies seek to move project responsibilities from in-house to outside service providers. There could be two ways of addressing this growing offshoring quantum: respond organically as and when the Balance Sheet permits, or restructure the Balance Sheet, acquire companies with complementary capabilities and grow size/capabilities faster. At MPS, we have selected the latter strategy. This strategy works well for us; the management possesses a competence in the identification of prudent targets and turning companies around. In 2015, we made a QIP, mobilized ₹150 cr and expect to acquire companies with an attractive customer mix, market presence and capabilities. We expect that this inorganic approach will make it possible for the Company to grow faster over the next few years. As a matter of prudence, we seek to acquire only those companies where the skill sets are complementary to ours, where the acquisition enjoys the approval of longstanding customers, indicating that they would continue to work with the acquired companies following management transition. We acquire with the perspective that the end result will be shareholder value-accretive. We focus on the right price to be paid that can accelerate the break-even point of the acquisition using our knowledge and operational scale. We have acquired all companies through accruals (no debt). We acquired only the brand, employee profile and customer list of the acquisition target and not the Company, liberating the Company from the risk of hidden liabilities. Besides, we do not acquire with the objective to move jobs to India; on the contrary, we select to retain the teams within the acquired companies, making it possible to protect last-mile customer familiarity.

Financial integrity

At MPS, we recognize that a robust Balance Sheet represents a credible foundation that eventually translates into credible stakeholder value. The Company enjoys a return on equity of 58 per cent (2014-15, without factoring the late-year QIP mobilization of ₹150 cr), which is considerably higher than what shareholders would have expected to generate from alternative investment forms. The Company has zero debt.

1 Our first phase (2011-12)

- The current promoters acquired the Company in October 2011.
- Loss making position in 2010.
- Focused on internal restructuring.
- No major Capex incurred
- Company reported profit in the Financial Year 2011-12

2 Our second phase (2012-13)

- Rationalised senior management layer.
- Strengthened Dehradun operations
- Rationalized wage cost as a proportion of revenues.
- EBIDTA margin strengthened from 13.90 per cent in the Financial Year 2011-12 to 29.21 per cent in the Financial Year 2012-13.

3 Our third phase (2013-14 and 2014-15)

- Acquisition of three companies in North America
- Embarked on aggressive revenue expansion focus.
- Strengthened revenue visibility through multi-year contracts.
- Increased customers and customer mining.
- Revenues from top ten customers increased - 75 per cent in the Financial Year 2013-14 to 81 per cent in the Financial Year 2014-15.
- EBIDTA margin strengthened from 29.21 per cent in the Financial Year 2012-13 to 40.70 per cent in the Financial Year 2014-15.

4 Our fourth phase (2015 -16 onwards)

- Consolidation of acquired competencies and add value to our client offerings.
- Mine customer accounts deeper.
- Focus on revenue acceleration and higher margins.
- Increase our technology-intensive platform offerings
- Focus on inorganic growth with complementary capabilities

FINANCIAL SUMMARY_

Revenue (₹ cr)

2011-12	191.00
2012-13	163.99
2013-14	197.28
2014-15	223.87

EBIDTA (₹ cr)

2011-12	26.54
2012-13	47.90
2013-14	69.63
2014-15	91.12

Post-tax profit (₹ cr)

2011-12	10.87
2012-13	31.89
2013-14	42.14
2014-15	61.44

EBIDTA margin (%)

2011-12	13.90
2012-13	29.21
2013-14	35.29
2014-15	40.70

PAT margin (%)

2011-12	5.69
2012-13	19.45
2013-14	21.36
2014-15	27.44

Cash profit (₹ cr)

2011-12	21.55
2012-13	39.25
2013-14	47.43
2014-15	66.89

ROCE (%)

2011-12	12
2012-13	45
2013-14	63
2014-15	81

Earnings per share (₹)

2011-12	6.46
2012-13	18.96
2013-14	25.05
2014-15	36.38

(Note: ROCE for the Financial Year 2014-15 is calculated excluding funds raised from QIP.
2011-12 data is for 15 months from January 1, 2011 to March 31, 2012.
2011-12 and 2012-13 are standalone data and 2013-14 and 2014-15 are consolidated data.)

MANAGEMENT DISCUSSION AND ANALYSIS_

Global economic overview

The Financial Year 2014-15 witnessed a slowdown in the global economy. Slower growth in the developed economies was accompanied by moderated GDP growth in the emerging economies. The US and the UK improved their economic outlooks on the back of accommodative monetary policies and a significant reduction in energy costs. The euro zone witnessed a significant slowdown with a fall in aggregate demand and concerns over Greek bankruptcy.

The spike in commodity prices that started in early 2000 saw a major waning in the Financial Year 2014-15 with declines in the prices of major commodities. Crude prices nosedived during the past five years with prices declining in excess of 50 per cent within a span of mere five months. It is expected that this trend will catalyse global economic revival and lead to significant gains for oil-importing nations.

Going forward, global growth is likely to accelerate to around 3 per cent in 2015 and touch around 3.3 per cent by 2017.

Industry structure

The global publishing sector

Publishing is a global business estimated to be in excess of USD 500 billion. However, the publishers that MPS has traditionally worked with operate in the global academic and educational market segments that are together estimated to be around USD 100 billion. India is estimated to receive an estimated USD 1.2 to USD 1.5 billion of outsourced work from publishers, and is by far the largest supplier. The Indian publishing outsourcing business has grown at 15 per cent per year over the past 10 years as per various industry estimates and this growth momentum is expected to be maintained in the coming years as publishers outsource additional services to their Indian suppliers.

The supply base in India is fragmented, with just a few suppliers with annual revenue in excess of ₹200 cr. There are a large number of suppliers with an annual revenue of under ₹50 cr, and suppliers in the ₹50-200 cr annual revenue range make up the middle of the pyramid.

Global publishers have seen many external factors impacting their business models. On the STM journals side, open access is being embraced by many publishers, resulting in a larger volume of articles being published even as subscription revenue remains under pressure. On the higher education side, the decline of print revenue and sluggish revenue growth on the digital side has seen publishers struggle with their business models. And the school publishing market remains cyclical. On the trade side, self-publishing has made with Amazon and other platforms supporting self-publishing.

In response to market dynamics, there has been a flurry of restructuring activities at the publishers end: the revival of HMH through a chapter 11 process, the purchase of McGraw-Hill Education by Apollo, the restructuring of debt at Cengage through a chapter 11 process, and the merger of Penguin and Random House.

Similarly, on the publishing services supplier side, MPS was purchased by ADI BPO Services Limited from Macmillan, Aptara was purchased by Ienergizer, an 80 per cent stake in SPI was purchased by CVC Capital Partners from Philippines Long Distance Company, and Lumina Datamatics was created by folding Datamatics data conversion services into PMG. The next round of consolidation has started with MPS purchasing Element, EPS, and TSI and assembling funds for further acquisitions.

All these changes mean that some publishing services companies will emerge stronger through the process and be the market leaders of the future. The successful publishing services companies are likely to be end-to-end players servicing the needs of the academic, educational, and self-publishing market segments with a strong focus on technology, workflow management, and high-quality content creation, production, transformation, and delivery services supplied from multiple regions. Indeed, the publishing services companies of tomorrow with full spectrum capabilities will increasingly clone the publishing clients that they serve.

Company overview

MPS Limited provides content creation, production, transformation, and technology services to global academic, scientific, and educational publishers. The Group has a team of over 2,850 employees based at offices in Bengaluru, Chennai, Delhi, Gurgaon, Noida, and Dehradun in India and at Portland (OR), Orlando (FL), Durham (NC), Effingham (IL), and Champaign (IL) in the US.

Established as an Indian subsidiary of Macmillan (Holdings) Limited in 1970, the Company has evolved over its 45 year history to become one of the most experienced and dominant players in the publishing services outsourcing space. The equity shares of the Company are listed on BSE and NSE. In October 2011, the Company was acquired by ADI BPO Services Limited from Macmillan (Holdings) Limited. Mr. Nishith Arora is the largest shareholder and promoter of ADI BPO Services Limited. The Company's experienced and talented team has responded favourably to the new management and direction. The core management team, including Chairman, Executive Directors, and the Senior Management, are working in tandem to sustain the growth momentum by leveraging on the Company's wide range of services, technology capabilities, and cost competitiveness.

MPS Limited incorporated a wholly owned subsidiary, MPS North America, LLC, in USA in May 2013. MPS North America, LLC, has made three acquisitions in the education publishing services space in the last two years. MPS North America LLC acquired the business of Orlando-based Element LLC in July, 2013, which has added to its range of services for school education publishers. MPS North America, LLC, also acquired the business of New York-based Electronic Publishing Services Inc. in October, 2014, to add content creation and other capabilities in the higher education space. More recently, MPS North America, LLC, acquired the business of TSI Evolve Inc, which strengthens the Company's position in the reading segment of the school education market.

In addition to traditional content-processing services, MPS Limited has a strong suite of SAAS (software as a service) offerings including workflow management (MPSTrak), editing and automated composition (MPS DigiCore), and business analytics (MPS Insight). These software services help MPS add more publishing customers beyond its traditional customer base of large global publishers such as Macmillan, Elsevier, Cengage Learning, and McGraw-Hill.

MPS Limited is committed to providing quality products to its customers and has received various quality accreditations, including ISO 9001:2008 Quality Management System for providing full service prepress and content transformation services for publishers of periodicals and ISO/TEC 27001:2005 information security system for providing publishing solutions worldwide to publishers, including support departments.

MPS Limited has recently completed a QIP of ₹150 cr that saw participation from HDFC Mutual Fund, Goldman Sachs, and other investors. This will allow the Company to address acquisition opportunities and benefit from the consolidation taking place in the publishing services space.

Risks and concerns

In any business, risks and opportunities are inseparable. The Company's Directors and management keep this in mind while taking decisions to ensure that stakeholders are not adversely affected. The Company's Risk Management team comprises various departmental heads, who meet regularly to identify processes that are exposed to risks, determine mitigation strategies to counter these risks and closely monitor their implementation. These have been discussed in the risk management section of the Annual Report.

Internal control systems

The Company has well-documented policy guidelines, defined authority levels, and an exhaustive budgetary control system to ensure adequate internal checks 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 2014-15. 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 and as mandated by the Audit Committee. The Internal Auditor reports to the Audit Committee.

The Management and the Audit Committee of the Board review the findings and recommendations of the internal audit team and periodically review the adequacy of internal controls, internal audit, and management control systems so as to be in line with changing requirements.

Financial performance with respect to Operational Performance

The Company performed well during the Financial Year 2014-15. While consolidated revenue grew 18.5 per cent, from ₹194 cr to ₹230 cr (including revenue related forex loss/gain), PBT increased from ₹64 cr to ₹85 cr (33 per cent), (excluding an exceptional income of ₹8 cr). The Company raised no debt, met its acquisition and capital expenditure requirements through internally generated funds, and also paid an enhanced dividend of ₹22 per share (₹17 per share in the previous year).

Material developments in the Human resources / Industrial relations

MPS saw a significant increase in manpower at Dehradun, where the headcount is now 915. During the last three years, an experienced team of around 50 people, transferred from ADI BPO Services Limited to MPS, has been, supplemented by the transfer of key employees from other MPS locations. There was large-scale hiring of experienced talent as well as hiring of freshers trained in well-equipped facilities at Dehradun. As a result, MPS developed a broad spectrum of capabilities at Dehradun for books, journals, digital services, and technology. We anticipate further increases in the headcount at Dehradun. At the same time, we continue to leverage our experienced manpower at Bengaluru, Chennai, Gurgaon, Delhi, and Noida.

The manpower in our US offices increased to over 50, all highly experienced publishing professionals. This gives us added depth with experienced customer-facing resources in the US. We expect to leverage this even more as we go along.

Industrial relations remained cordial throughout the year. The aim continues to be to train, develop professional excellence, and improve the competence level of employees. The number of people employed by MPS increased to 2792 during the year.

Economic and Industry Data	Links
Global Outlook for Growth of GDP 2015 - 2025	*https://www.conference-board.org/data/globaloutlook/index.cfm?id=27451*
Global Business Outlook – Region wise	*https://www.conference-board.org/data/globaloutlook/*
The Book Business, Worldwide	*http://www.internationalpublishers.org/images/reports/2014/IPA-annual-report-2014.pdf* - Refer Page 13
Title Production across countries and continents	*http://www.internationalpublishers.org/images/reports/2014/IPA-annual-report-2014.pdf* - Refer Page 16
World's 56 Largest Book Publishers 2014	*http://www.publishersweekly.com/pw/by-topic/industry-news/financial-reporting/article/63004-the-world-s-56-largest-book-publishers-2014.html*

01 JOURNALS_

JOURNAL PUBLISHERS WISH TO publish larger volumes of peer-reviewed or open-access scientific, technical, medical, and humanities research-based content through reduced cycle times across multiple platforms at significantly lower costs.

The Journals division is the largest business segment of the Company - in terms of annual revenue and employees. It is also the oldest division of the Company and has been operating for over 45 years. The division is a global leader in content transformation and project management services, covering every stage of the author-to-reader publishing value chain. The services cover print and online publishing, enabling customers to focus on the core creative and revenue-generating parts of their publishing businesses. The division has 1400-plus employees on its rolls operating out of three locations in India (Bengaluru, Dehradun and Chennai).

The niche market coupled with new revenue streams (online access) has made scientific publishing the fastest growing sub-sector of the media industry. Moreover, scholarly publishing is insensitive to economic ups and downs and therefore a stable space for long-term business investments.

The English-language STM journal publishing market is estimated at USD 10 billion (2012) and growing 4.5 per cent CAGR every year. *(Source: The STM Report, Mark Ware Consulting, 4th Edition, 2015).*

There has been a growing focus on this business segment in the last few years through increasing R&D spend, optimizing costs and the addition of a third production facility (Dehradun), translating into cost-effective customer solutions, faster turn-around times and efficient workflows.

Strengths

The division has been drawn from the oldest journal publishing service provider in India, with more than four decades of experience working with multiple global publishers.

The Company provides end-to-end journal publishing services enabled by technology platforms, which allows simultaneous access and advancement of multiple stages of content production through a digital core, which is the CMS.

The faster throughput is driven by smart automation and innovative processes across different and complex phases of content production and enrichment, helping publishers meet their objectives at reduced costs.

This division is one of the largest in the Indian publishing service space with a rich and diverse customer base.

The division possesses the largest technology resources pool in India's publishing service sector, with proven experience in journals publishing technology.

The division has made significant investments in publishing R&D and innovation, leading to the development of state-of-the-art publishing tools like DigiEdit and DigiComp, providing customers with a competitive edge.

The Dehradun production facility ensures competitive operational costs.

Highlights, 2014–15

This business unit revenues grew 14 per cent.

The division acquired two new customers; most existing customers increased their business with the Company.

Outlook, 2015–16

The segment looks forward to another year of growth as it continues to invest in R&D and operational excellence leading to customer delight and sustained growth.

> **Case study**
> For a reputed global publisher, MPS transitioned a large open access journal with 100,000+ printed pages (manuscript acceptance to first proofs) within only 48 hours

02 BOOKS_

THE SERVICES OFFERED BY THIS business unit bridge the gap between instructors and learners, and enable the dissemination of knowledge across school, higher-ed, and continuing education streams. Educational content needs to be processed and delivered to its target audience in an efficient and engaging manner, and the workflows and processes at MPS's books unit enable this goal to be achieved.

MPS's Books business unit provides content development, editorial, full-service project management, and page composition services to the world's leading educational, scientific, and scholarly publishers. This division has over 800 employees, and operates from Noida, Delhi, Dehradun, and Chennai in India, as well as from four locations (Orlando FL, Portland OR, Champaign IL, Effingham IL, and Durham NC) in the US.

Strengths

Experience: Over 35 years of experience in processing educational and scientific book content – wide subject matter

Processes: Technology-enabled workflows for greater process efficiencies.

Core capability: Strong editorial and project management skills; upstream integration with content development services, and downstream integration with eLearning services – and the capability to deliver these services in-house.

Delivery: Multiple service delivery locations, with each location specializing in a specific market segment.

Technology-enabled production: Our Central Technology team has considerable experience in designing customized workflows to meet specific client requirements.

Global presence, resource scalability, and delivery: Our diverse geographic footprint and resources provide us with the flexibility to assume large projects without compromising quality and timeliness.

Strong full-service project management and editorial capabilities: We have a large team of full service project managers for books, based in Chennai and Delhi. Our project managers handle the end-to-end book production process, and provide publishers with administrative support as well as editorial assistance with ease and diligence. MPS also has a full-time in-house editorial service staff of over 300 people based at our facilities in Bengaluru, Chennai, Delhi and Dehradun. In addition, MPS has a large pool of freelance onshore resources with expertise in various disciplines, which are used selectively for specific projects requiring such expertise.

Relationships: Our partnerships with educational and professional publishers are strategic, global and comprehensive. The senior management on both sides come together on a quarterly basis to brainstorm and drive innovation.

Highlights, 2014-15

The division made new client acquisitions in Cambridge University Press and Oxford University Press.

There was growth in volumes from existing clients. Elsevier doubled books volumes over the previous year; Macmillan Science and Education volumes increased 40 per cent.

With strong onshore content development capabilities in place, this vision remained on the positive side of all major vendor consolidations, including McGraw-Hill Education and Cengage Learning. Services provided include content assembly, media asset development, project management, rights and permissions, and design services with the scope now expanding to include rich media and digital learning objects.

Our acquisitions in the US over the past couple of years enabled us to build competencies in content development, which our competitors currently do not possess.

Our focus on building robust collaborative production platforms like DigiCore to support our core production activities broke new ground in realizing production efficiencies by marrying content processing services with technological excellence.

Outlook, 2015-16

Prospects appear bright, translating into a growth in volumes from existing and new customers; revenues from traditional components of the business (like editorial and page composition) could be supplemented by content development and rich media services.

03 DIGITAL SERVICES_

CLIENTS ARE INCREASINGLY requiring e-Books be delivered along with the print PDF files. The DS BU's workflows are synced with the books unit's workflows to enable seamless integration of e-Book production with the print file.

There is still a need from several publishers to selectively digitize their historical book or journal archives going back to several decades. This BU has the capability to handle such large volume legacy file digitization.

In an era where publishing is increasingly becoming digital-only (particularly in the trade book segment), the sole deliverable (for clients like Apple, for example) is an e-Book file. This BU has large-scale engagements of this nature.

MPS's Digital Services BU offers a range of multi-format content conversion services. Source file formats can range from hard copy, to scanned PDFs, print PDFs, XML and others. These source inputs, depending on the client requirement, are converted to EPUB2, EPUB3, Mobi, XML, Word, or other formats. This unit has a staff strength of about 300, and is based in Chennai and Bengaluru.

Strengths

The past few years have first seen a proliferation of e-Book formats, followed by a standardization of e-Books into two major formats compatible with the iPad (and popular Android devices) and the Kindle. This business unit first developed capabilities to handle multiple formats and has been at the forefront of managing the consolidated formats as well.

Ability to handle a wide variety of source files and convert to a wide variety of target file formats

Robust and proven production models depending on client-specific requirements.

Technology-enabled conversion workflows.

Ability to support rapid-scale ups and handle large-volume file deliveries.

With the evolution of EPUB3 (which enables multimedia integration into e-Books), this division has supported the transition of publishers into handling this new format. This has also been seamlessly integrated into the print book workflow to enable print+EPUB3 deliveries.

Highlights, 2014-15

Selected as a key supplier to Apple.

Successful projects handled for various publishers for interactive EPUB file deliveries (EPUB3).

Expanded the key relationship with Wolters Kluwer's Tax and Accounting division into additional product types.

Outlook, 2015-16

Keeping in mind the continuous push towards e-Books in general and the potential for using interactive e-Books to a greater extent in the educational publishing segment, this division can look forward to a successful Financial Year 2015-16.

04 TECHNOLOGY SOLUTIONS_

24x7

THERE IS A GROWING OPPORTUNITY in technology-led content delivery within the global publishing industry. On the one hand, changes in consumer habits are necessitating a greater role for technology-driven services and products; besides, there is a need for publishers to reduce costs and work with vendors who facilitate a faster time to market.

MPS responded to both these realities through its technology-focused business unit, MPS Technologies. This standalone unit provides technology solutions and services to publishers, provides platforms, application support and cloud-based hosting services, server virtualization, and 24x7 IT helpdesk support.

MPS Technologies' technology services to publishers comprise:

Proprietary platform development and customization capabilities (leading to annuity revenues through license and customization fees) for automated flow of content from author-to-reader value chain.

Provide business insight to publishers and libraries through its usage analytics services.

Complete application support and maintenance services.

Strengths

The business comprises a coming together of domain and technology competence, which makes it unique; its team of 300 strong technical team is one of the largest within the sector in India.

The business provides products and services, a flexible hybrid model.

The business possesses a successful track record of having created more than 20 technology platforms addressed at the global publishing industry, drawing an aggregate six million visitors per day. Besides, the Company possesses the competence to turnaround platforms in tenures as compressed as three months, one of the shortest in comparison to similar implementations in the industry, in addition to versatile platform flexibility and integration with diverse tools and processes.

The business has carved out a competence in the production niche of the author-to-reader cycle, marked by the creation of three products with attractive potential.

The product MPSTrak is rated as one of the best in the world in the journal management niche.

The business enjoys ramp-up capabilities by being able to draw professionals from the Platform Upgrade and Product Innovation teams.

The business works closely with customers, resulting in the ability to get platforms right the first time, reducing turnaround time.

The creation of a platform makes it possible for the Company to access customer preferences with speed, inspiring proactive responses when it comes to adapting platforms.

Outlook

The business intends to grow 30 per cent during the year under review.

Customer endorsement

"It is testimony to MPS and the Indian work ethic that you delivered MPSTrak on time. I am safe in saying that if we had worked with a UK or US-based supplier we would have not only missed the deadline but I suspect we would still be gathering requirements at this time." – A large and respected MPS client

How MPSTrak has transformed the customer experience - 1

When a prominent global publishing company selected to use MPSTrak, it had its own challenges – and doubts. How could a simple product enhance productivity? What could it achieve? What they had attempted but not derived? The result is that MPSTrak was implemented. Gradually, there was drastic improvement in productivity. At last count, after two years of using MPSTrak, the global publishing client has reported three years of production volume growth (books, journals, and cases) without adding a single person to its production team.

How MPSTrak has transformed the customer experience - 2

A respected global publishing company was faced with a challenge – declining people productivity. The company invested skeptically in MPSTrak, unsure of the kind of gains that would be delivered. After using the product for a little less than four years, this is what the company discovered: a production executive who would handle around 700 articles a year is now able to manage a 46 per cent higher throughput following MPSTrak implementation. Best of all, while overall publishing volume has grown by over 80 per cent in the three years that MPSTrak has been installed, only two production executives were recruited.

Our products

MPSTrak

Deliverables: Dynamic cloud-based workflow and content management platform for books, journals and reference works; workflow management and tracking; workflow task management; transparency and correspondence; author service and peer review; work automation; content management; estimation, Profit & Loss and PO management; integration and reporting.

Benefits: Intuitive user interface, faster time to market, increased transparency, global visibility on workflows and efficient workflow solutions.

MPSInsight

Deliverables: Empowering publishers and librarians with powerful content usage analytics on a cloud-based platform; generation of sales and marketing reports including region-wise trends and title-wise trends, allows librarians to compare usage statistics and derive useful metrics and make better informed purchasing decisions.

Benefits: Quicker turnaround time for reports, lower operational costs, easier administration for publishers and librarians, highly intuitive user interface as per publisher requirements.

Content store

Deliverables: Hosted e-Book delivery and distribution platform, helps to drive e-Book sales over the web and mobile platforms; supportive of global content formats; enables distribution of content over mobile platforms and social media; allows publishers to access counter compliant and other usage statistics.

Benefits: Flexibility between different feature sets; enables creation of own e-BookStore; helps access new markets by supporting multiple languages; enables publishers to implement e-content strategies, protecting content.

05 LEARNING AND NEW MEDIA SERVICES_

THERE IS A GROWING NEED TO adapt services to publishers on account of the increasing use of smartphones in downloading educational content, a growing propensity of consumers for immediate content availability and interactivity, a growing room for platforms to become technology-compatible and the vast room to move from print to digital and digital devices.

At MPS, we created a niche technology vision to create mobile applications (for e-learning), website interactivity (e-learning assessment), desktop/IWB applications, technology migration (animation and offline site) and teacher-student interaction.

This unit of the Company develops engaging and interactive learning products for educational publishers. The unit uses advanced multimedia tools to create digital learning applications with animations, interactive games and activities for use as learning aids in classrooms. The unit's team comprising content creators, developers, art directors and graphic designers provide high-quality designs to satisfy the customers.

The Company also develops educational CDs and DVDs that contain animations, activities, games and other interactive content. These are used as supplementary or standalone learning material. The unit partners leading educational institutions to create content and draws upon its sectoral experiences to deliver quality offerings. Consultancy services are also offered that cover the entire range of learning activities - individual and organisational.

Strengths

This business (started in 2007) has addressed projects and solutions for large publishers.

The business enjoys repeat business from existing customers; it has developed various award winning learning platforms applications such as e-work book (ESU Book Award) and i + interactive platform (QED Seal).

This business comprehends customer needs and delivers customized solutions.

This business possesses capabilities in leading technologies (HTML5, JavaScript, CSS3, PHP, MySQL, Xcode, J2ME, and various mobile and web frameworks).

This business launched a proprietary product called Mediasuite (transforms PDF files into digital e-books).

Highlights, 2014-15

Delivered an end-to-end collaborating e-learning platform for Cheneliere, a large

French-Canadian publisher, which can be used by students and teachers. The Company converted around 300 books to this platform, enhancing the learning experience. The first platform, developed in 18 months, enhanced the learning experience with support material; the second platform took a third of the time.

Assisted a large global client through various initiatives and courses; created courses and different HTML-based components e-Viewer, a web-based application.

Created a mobile application for Royal Society of Chemistry addressing dosage advice to be used by lab technicians.

Outlook, 2015-16

The division expects to grow revenues by successfully mining its existing presence in one of the largest global publishers, and drive revenues through existing relationships of its US acquisitions.

MPS has developed an online & mobile interactive platform

MPS has developed an online & mobile interactive platform for instructors and students for a leading North American publisher. This application has been targeted to run on interactive boards in a class room set-up using all modern browsers.

The application was designed to be scalable to host more than 300 interactive books with 30,000 overall users and more than 3000 concurrent users. The central point of the application is the digital version of the book wrapped with various modules such as annotations (4 to 5 different types) with sharing ability, presentation module with presentation development & sharing, activity modules with activities authoring, sharing the activity with other users, reusing another user's activities, assigning activities to different students, monitoring the performance of the students and generating various kinds of reports.

MPS also developed an offline version of the platform for those users who have limited network bandwidth. The application can be downloaded once bundled with the content and it can be installed in the end users system. The application needs internet connection for the initial authentication and once done, the users can use almost all the features offline including sharing. The shared content will reach the respective target when the device is connected to the internet.

MPS also supported the publisher to extend the platform for Apple iPad devices by developing a native application. The native application has more than 80 per cent functionality of the platform and it has been effectively used by the target user groups.

06 FULFILLMENT_

THERE IS A GROWING INCIDENCE of users buying books and journals from publisher websites than walking into stores. The result is that nearly 80 per cent of all publisher revenues are now derived from online sales.

The space is becoming increasingly complex for publishers to manage with their in-house capabilities. Besides, business is trending to vendors who can be completely trusted for their integrity and competence (as system creators).

This trend has created opportunities at two levels – subscription management (new orders, renewals, e-service, bank reconciliations, warehouse coordination and payment status updation) and marketing support (list updation and reminding customers of impending subscription lapse).

The Company provides end-to-end solutions for the subscription cycle and customer relations management for print and online products. This encompasses taking orders, managing payments and providing all-round customer services. The subscription cycle extends to ordering, payment processing, invoicing, label running, dispatching, renewing, sending reminders and processing returns. The Company is capable of handling multiple currencies, storing global address structures, handling the tax methodologies of various countries and allowing customers to analyse sales trends, accessing marketing information and managing stocks.

This business is optimistic of prospects as a number of publishers are outsourcing their fulfillment needs, incentivised by the value provided by labour arbitrage and process improvements.

Strengths

This business enjoys a multi-decade domain insight (starting as a back-end unit of Macmillan Publishers), an edge over competing BPO service providers.

This business is working for two of the largest global publishers and a host of smaller accounts.

This business services the growing needs of prominent global publishers like Nature publishing group, Elsevier, Pharmaceutical Press and Palgrave Macmillan.

This business enjoys the experience of having delivered cutting-edge solutions for all major fulfillment systems.

This business engages in consulting clients followed by customized projects.

Highlights, 2014-15

This business added University of California Press as a client.

This business transitioned work to a lower cost location - Dehradun.

Outlook

In this long-cycle engagement process, the Company is engaged in discussing related to projects with a number of customers. The corporate restructuring is expected to enhance a marketing focus in the US. The business intends to extend from journals to books, a relatively untouched area.

07 DATABASE AND DIRECTORY PUBLISHING SERVICES_

THE FUNCTIONS OF THIS BUSINESS unit encompass Yellow Pages Directory Display, In-Column Spec, BAV, Digital Advert Creation, and Pagination.

Printed directory advertising includes speculative advertising as per the client's specifications in terms of technique, design, language, and quality.

MPS creates text-based, framed in-column advertisements according to customer standards. These ads include Trademark, Leader Internet Boxed, as well as standard half-space ads, all within specific size and formatting constraints. Digital advertising includes the creation of artwork/logos for Internet and banner ads. Pagination services comprise galley process, batch pagination, online pagination, filler assignment, typesetting, and compositions of different sections of the directory.

While the growth of online directory revenues has been slightly lower than initially forecasted, the annual growth from the fiscal 2009 has been 21.7 per cent *(Source: The Kelsey Group's Outlook & Forecast)*. We have witnessed more publishers unbundle Internet offerings from standard print sales and begin to sell Internet based on its own value. While this has led to an overall decline in online advertising, on the positive side there has been an increase in average revenue per advertiser and overall growth in the category.

Additionally, we have witnessed an increased willingness among directory publishers to enter into agreements with Google and other online players, further extending their distribution network and value to customers by selling keywords in addition to standard Internet yellow pages. Consequently, online revenues have started exceeding print revenues.

Over the years, approximately 3200 white page directories (0.41 million pages), 3500 yellow page directories (0.84 million pages), and 0.45 million ads have been successfully processed by the Company. The Company accomplished a smooth transition of operations from onsite to MPS in a phased manner within seven months without impacting deliveries. A 100 per cent compliance was achieved in turnaround time for ads/page delivery, monitored by the customer. Quality SLA compliance was met month-on-month, monitored by the customer. The Company was appreciated by the customer for efficiently managing variation in volumes and late requests without affecting TAT. A robust production tracking system has been developed by MPS.

Strengths

Scale: This is one of the largest design centres in India, with over 12 years of experience in offshore creative and ad designing.

Services: The division provides creative, end-to-end pre-press solutions for magazines, directories, newspapers, catalogues, and several verticals, as well as multi-format design solutions for print and online publications, with expertise in designing in multiple languages like English, Spanish, French and German among others.

Systems: The division provides native culture training programmes to improve productivity and quality; the development of own spell-checker for native English words; regular training programmes in design, graphics and language and process.

Service: MPS provides round-the-clock support to ensure compliance at all times.

Standards: Creative freedom adverts are designed using innovative ideas, which have been appreciated by the customer and have passed customer audit tests. Ads are processed on the basis of customer-defined priorities through a production tracking system developed by MPS. An online quality check process is in place for Ad production and pagination to enhance a paperless work environment. An efficient project management service is in place to ensure smooth communication and a single point of contact. An efficient migration team has been established to support the transition, with representation from operations, production, quality, and training.

Creative new media and software unit: Possesses enhanced online experience; cost-effective web services; interactive Internet, mobile design and delivery services.

Highlights, 2014–15

MPS was able to exceed customer SLAs throughout the year.

Customers displayed keen interest in providing new graphic opportunities and entrusting digital content writing projects to us.

Outlook, 2015–16

Discussions are on with our existing customers for new business opportunities like pagination, national ads, premium ads, digital content creation, and patient point (health brochure) in the coming year.

RISK MANAGEMENT

At MPS Limited, risk management is an ongoing process. The Company has a designated risk officer who is assigned The responsibility of assessing and identifying the material external and internal risks that the Company is exposed to. An assessment of these threats is periodically carried out after a thorough appraisal of the Company's business model and its key business processes. The key business processes are strategically evaluated both from a business unit perspective as well as an overall perspective. These are then compiled and classified on the basis of their criticality. Once threats have been comprehensively identified and listed, weights are assigned to threats based on the probability of their occurrences and the severity of the impact upon the Company in the event of a threat materialising into a risk. This gives the management a clear view of the contingencies that the Company is exposed to. Consequently, mitigation measures are formulated and management then proceeds to deliberate and implement them based on effectiveness and cost constraints.

MPS Limited has addressed the following risks with relevant counter-strategies.

01 CUSTOMER RISKS_

The Company could lose customers in the event of not being able to service them competently. Besides, a concentration of business from a few customers could emerge as a risk in the event of customer attrition.

Mitigation: The Company provides a wide range of services to publishers based in the US and has a balanced mix of clients with no single client accounting for more than 19 per cent of its turnover. It has long standing relationships with all major publishers in its markets and draws on its domain experience of 45 years in the business to provide unmatched service quality to its customers.

Year	2012-13	2013-14	2014-15
Business from top ten customers as a per cent of total business	72	75	81

02 CURRENCY RISKS_

MPS Limited transacts business majorly in the countries of the US. Any adverse fluctuation in the values of the USD and the GBP could negatively impact its receivables.

Mitigation: The Company proactively engages in hedging its exposure to foreign currency risks by entering into forward exchange contracts. This allows the Company to hedge its foreign currency receivables and protect itself from adverse fluctuations.

₹ in cr

Year	2012-13	2013-14	2014-15
Gains/(losses) from currency fluctuations	1.30	(3.19)	6.32

03 REGULATORY RISKS_

Any regulatory changes to do with outsourcing of services in the countries where services are rendered the Company could be significantly impacted and barred from competing.

Mitigation: The Company has units located in the US. The presence of local units in its major markets helps protect the Company from any regulatory risks that seek to prevent and reduce the quantum of outsourced publishing services. Further, in an era of liberalized global trade and services, major legislations that seek to ban outsourcing of services are highly unlikely.

04 ACQUISITION INTEGRATION RISKS_

The Company may fail to properly integrate companies acquired by it leading to destruction of value in the long run and loss of goodwill.

Mitigation: The Company has successfully integrated its acquisitions of Element LLC, Electronic Publishing Services Inc. (EPS) and TSI Evolve Inc. The Company is realising significant advantages in the form of expansion of service offerings, widening geographical presence and growing relationships with leading publishers from these acquisitions. Further, acquisitions are made by the Company only after considering all potential integration related issues.

Year	2012-13	2013-14	2014-15
Acquisitions done by the Group	Element LLC, US	Electronic Publishing Services Inc., US	TSI Evolve Inc., US
Status	Fully integrated	Fully integrated	Fully integrated

05 STAFFING RISKS_

The Company may be unable to attract and retain skilled employees that would lead to a fall in the quality of services and hamper the business.

Mitigation: The Company has taken several measures to help it evaluate, attract and retain skilled employees. The combination of a healthy working environment, regular appraisals, and operational freedom with accountability among others allows the Company to increase employee satisfaction and reduce attrition.

06 TECHNOLOGICAL RISKS_

The Company relies significantly on technology to deliver its services. Any technological failure or outage could expose it to business challenges and render the Company incompetent.

Mitigation: The Company aims to remain at the forefront of all technological advancements in its domain to ensure seamless delivery of solutions. MPS Limited has developed several advanced proprietary technologies that give considerable competitive advantages over competitors and allows it to deliver highest quality publishing services.

07 COMPETITION RISKS_

The Company could be exposed to severe competition for the services offered by it leading to falling margins and failure to win contracts.

Mitigation: MPS Limited has a rich legacy of over 45 years in the outsourced publishing services sector. Its longstanding relationships with major publishers, proprietary software capabilities, high quality of design and content, domain experience and its skilled team of designers contribute towards negating any significant risk from competition.

NOTICE

NOTICE is hereby given that the Forty-Fifth Annual General Meeting of the members of MPS Limited ("**MPS**" or the "**Company**") will be held on Monday, July 20, 2015 at 2.30 p.m. at The Raintree Hotels, 636 Anna Salai, Teynampet, Chennai – 600 035, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements, including Balance Sheet as at March 31, 2015 and Statement of Profit and Loss for the year ended on that date, both standalone and consolidated basis, together with the Reports of the Board of Directors and Auditors thereon.

2. To confirm the two Interim Dividends, aggregating to ₹22.00 per equity share, paid during the Financial Year ended March 31, 2015, as final dividend.

3. To appoint a Director in the place of Mr. Rahul Arora (DIN: 05353333), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

4. To convey assent or dissent to the following resolution as an **Ordinary Resolution** for the appointment of Statutory Auditors of the Company:

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee of the Board of Directors, Deloitte Haskins & Sells, Chartered Accountants, Gurgaon (Firm Registration No. 015125N), be and are hereby re-appointed as the 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 of the Company to be held in the calendar year 2016, on such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

5. To convey assent or dissent to the following resolution as an **Ordinary Resolution** for the appointment of Mr. Nishith Arora (DIN: 00227593) as Director:

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (**the "Act"**) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Nishith Arora (DIN: 00227593), who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Act, and the Articles of Association of the Company with effect from May 25, 2015 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To convey assent or dissent to the following resolution as an **Ordinary Resolution** for the appointment of Mr. Nishith Arora (DIN: 00227593) as Whole Time Director:

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (**the "Act"**), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and subject to such consents, permissions, approvals, if any required, from any appropriate authority, consent of the members of the Company be and is hereby accorded to the appointment of Mr. Nishith Arora (DIN: 00227593), as a Whole Time Director of the Company, liable to retire by rotation, for a period of 3 (three) years, w.e.f. from May 25, 2015 at the remuneration including perquisites and upon and subject to the terms and conditions contained in the Agreement dated May 25, 2015 between the Company and Mr. Nishith Arora, placed before the meeting and detailed in the Explanatory Statement attached to the Notice.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment including as to remuneration to Mr. Nishith Arora from time to time to the extent the Board of Directors may consider necessary in accordance with the applicable provisions of the Act, rules, regulations and Schedule thereunder for the time being in force, provided, however that the remuneration after such alteration or variation does not exceed the limit specified under Section 197 read with Schedule V to the Act.

   RESOLVED FURTHER THAT the consent of the members of the Company be and is hereby accorded to the payment of said remuneration to Mr. Nishith Arora, Whole Time Director, as minimum remuneration, even in the event of loss or inadequacy of profits of the Company though the remuneration as such exceed the limits prescribed under Section II, Part II of Schedule V to the Act and that the Board of Directors be and is hereby further authorized to do all such act(s), deed(s), matter(s) and thing(s), necessary or desirable in connection with, or incidental or ancillary thereto for the purpose of giving effect to the aforesaid resolution including but not limited to seeking consent of the appropriate authority, as may be required."

7. To convey assent or dissent to the following resolution as **Special Resolution** for the appointment of Ms. Yamini Tandon to the office or place of profit in the Company's wholly owned subsidiary in U.S.A.:

   "**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (**the "Act"**), read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Listing Agreement, consent of the members be and is hereby accorded to the appointment of Ms. Yamini Tandon, as Senior Vice President of MPS North America, LLC, a wholly owned subsidiary of the Company having its principal place of business in the state of Florida, United States of America, with effect from May 11, 2015 at a total remuneration of USD 145,600 per annum to be paid by the said subsidiary.

   RESOLVED FURTHER THAT the Board of Directors, (hereinafter referred to as "Board" which term shall be deemed to include any Committee thereof) be and is hereby authorised to do all acts and take all such steps including but not limited to seeking approval from any regulatory authority, if any, as may be necessary, proper or expedient to give effect to this resolution and that all the acts done and steps taken by the Board to this intent be and are hereby ratified and confirmed."

8. To convey assent or dissent to the following resolution as **Special Resolution** for borrowing powers of the Board:

   "**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for the purpose) to borrow, from time to time, any sum or sums of money at its discretion, for the purposes of the business of the Company, which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business or which is repayable on demand or within a period of six months) may exceed the aggregate of the paid-up share capital and free reserves, that is to say reserves which as per the Company's latest audited Balance Sheet are available for distribution as dividend, by a sum not exceeding ₹150 crore (Rupees One Hundred and Fifty Crores).

   RESOLVED FURTHER THAT the Board be and is hereby empowered and authorized to arrange or settle the terms and conditions of all such monies to be borrowed from time to time including as to interest, repayment, security and to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board

Sd/-

Place: Gurgaon | **Hitesh Kumar Jain**
Date: May 25, 2015 | DGM-Legal & Company Secretary

Registered Office:
RR Towers IV, Super A,
16/17, T V K Industrial Estate,
Guindy, Chennai - 600 032
CIN: L22122TN1970PLC005795
Email: **investors@adi-mps.com**

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("the AGM") IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

   A BLANK PROXY FORM IS ENCLOSED HEREWITH. 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 AGM.

2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to special businesses to be transacted at the AGM, is annexed hereto.

3. Corporate members are requested to send a duly certified copy of the Board Resolution/ Power of Attorney/other valid authority together with their respective specimen signatures, authorizing their representative to attend and vote at the AGM, as required under Section 113 of the Companies Act, 2013.

4. Members/Proxies should complete and hand over duly signed attendance slips at the entrance of the AGM to record their attendance.

5. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

6. In terms of Section 152 of the Companies Act, 2013, Mr. Rahul Arora (DIN: 05353333) retires by rotation at the AGM and being eligible, offers himself for re-appointment. The Board of Directors of the Company commends his re-appointment. Brief resume of Directors proposed to be appointed/ re-appointed, nature of their expertise in specific functional areas, name of companies in which they hold Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement and Secretarial Standard on General Meetings, are provided in the Annexure to this Notice.

7. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, June 29, 2015 to Tuesday, June 30, 2015 (both days inclusive) for the purpose of the AGM.

8. Members desiring any information regarding the Financial Statements are requested to write to the Company at least 7 days before the AGM so as to enable the management to keep the information ready.

9. Members may please note that as per Sections 205A(5) and 205C of the Companies Act, 1956, all amounts transferred to the Unpaid/ Unclaimed Dividend Account of the Company for dividends declared up to the Financial Year ended December 31, 2008 and remaining 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 prefer their claims with the Company in respect of their un-encashed dividend with regard to the above dividend. Members who have not so far claimed their dividends for the Financial Year ended December 31, 2009 and any subsequent year(s) are requested to make a claim to the Company.

10. The Ministry of Corporate Affairs (MCA) on May 10, 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 displacement 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 2008, as on the date of the 44th AGM held on August 8, 2014, 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**.

11. During the Financial Year 2014-15, the Company has paid two interim dividends, viz. first interim dividend of ₹12 per share, declared on August 20, 2014, and the second interim dividend of ₹10 per share, declared on January 29, 2015, aggregating to ₹22 per share, which the Board of Directors commends to be taken as the final dividend for the Financial Year 2014-15.

12. Members are advised to avail of the Electronic Clearing Service (ECS) facility for receiving dividends. To avail this facility, those members holding shares in physical form, are requested to contact the Company's Registrar & Share Transfer Agent 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 Depository 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.

13. Members are requested to bring their copies of the Annual Report at the time of attending the AGM.

14. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to the RTA of the Company.

15. All relevant documents referred to in the accompanying Notice and explanatory statement shall be available for inspection at the Registered Office of the Company on all working days during business hours (10.00 a.m. to 5.00 p.m.) up to the date of the AGM and at the AGM Venue.

16. The Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transaction and has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN to the Company / RTA.

17. Electronic copy of the Notice of the 45th AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form and the Annual Report of the Company for the Financial Year 2014-15 is being sent to all the members whose e-mail-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 e-mail address, physical copies of the Notice of the 45th AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form and the Annual Report of the Company for the Financial Year 2014-15 is being sent through permitted mode of dispatch.

18. **Members, who have not registered their e-mail address so far, are requested to register their e-mail address with the Company (RTA) / Depository Participant(s) for receiving all communication including Annual Reports, Notices, etc. from the Company electronically.**

19. Members may also note that the Notice of the 45th AGM and the Annual Report for the Financial Year 2014-15 will also be available on the Company's website **www.adi-mps.com** for downloading. 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 RTA.

20. **Voting through electronic means:**

    i. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended

Rules 2015') and Clause 35B of the Listing Agreement, the Company is pleased to provide members, facility to exercise their right to vote at the 45th AGM by electronic means and the business mentioned in the Notice may be transacted through e-Voting. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by Central Depository Services (India) Limited ('CDSL').

ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

iii. The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The instructions for members for voting electronically are as under:

A. In case of members receiving e-mail:

(i) **The remote e-voting period begins on Friday, July 17, 2015 (9:00 AM) (IST) and ends on Sunday, July 19, 2015 (5:00 PM) (IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, July 13, 2015, may cast their vote by remote e-voting.** The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

(ii) The members should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) 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.

(vii) If you are a first time user, follow the steps given below:

	For members holding shares in Demat Form and 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) • 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 8 digits of the serial number printed on the address slip 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 in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
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. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach 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 account 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.

(x) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN '150609012' of MPS Limited.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take print out of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates and custodians respectively.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they should create compliance user, using the admin login and password. The compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

B. In case of members receiving the physical copy:

Please follow all steps from Sl. No. (i) to (xviii) in point A above to cast vote.

iv. 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.com** under help section or write an e-mail to **helpdesk.evoting@cdslindia.com**.

v. The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. July 13, 2015.

vi. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

vii. Any person who becomes member of the Company after the dispatch of the Notice of the AGM and holding shares of the Company as on the cut-off date, may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com or investor@cameoindia.com.

viii. Mr. R Sridharan, Company Secretary (Membership No. FCS 4775) of R Sridharan & Associates, Company Secretaries, Chennai, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

ix. The Chairman shall at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.

x. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

xi. 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 immediately after the results are declared and communicated to the Stock Exchanges where the shares of the Company are listed viz. BSE Limited and National Stock Exchange of India Limited.

xii. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM i.e. July 20, 2015.

Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business

The following Statement sets out all material facts relating to the special business mentioned in the accompanying Notice.

Item nos. 5 and 6:

Mr. Nishith Arora, who was the Managing Director and Executive Chairman of the Company, resigned as Managing Director of the Company with effect from May 25, 2015 to ensure the seamless implementation of management's succession plan. The Board of Directors, on the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 161 of the Companies Act, 2013 (**the "Act"**) and Articles of Association of the Company have, at its meeting held on May 25, 2015 appointed Mr. Nishith Arora as an Additional Director of the Company. As an Additional Director, Mr. Nishith Arora would hold office of Director upto the date of 45th Annual General Meeting of the Company. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Nishith Arora for the office of Director, liable to retire by rotation.

Mr. Nishith Arora is an Economics graduate from Delhi University and also an Alumni of IIM, Ahmedabad. Mr. Nishith Arora has also completed the 3-year Owner President Management program at Harvard Business School in 2009. Under his leadership, the Company has grown tremendously.

Mr. Nishith Arora is not disqualified for being appointed as a Director of the Company in terms of Section 164 of the Act.

The Board of Directors in the same meeting, held on May 25, 2015, in the best interest of the Company, have also appointed Mr. Nishith Arora as Whole Time Director of the Company for a period of 3 years w.e.f May 25, 2015 on the terms and conditions, including remuneration as contained in the Agreement dated May 25, 2015 between the Company and Mr. Nishith Arora.

In terms of the provisions of Section 196, 197, and other applicable provisions, if any, of the Act read with Schedule V to the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) approval of the members of the Company is required for the appointment of, and payment of remuneration to, Mr. Nishith Arora as a Whole Time Director of the Company. Upon appointment, Mr. Nishith Arora will continue to be the Executive Chairman.

The Board of Directors, considering Mr. Nishith Arora's expertise and performance and on the recommendation of Nomination and Remuneration Committee, is of the view that his continued association with the Company as Director liable to retire by rotation and as Whole Time Director as aforesaid, would be of immense benefit to the Company and it is desirable to appoint him as a Whole Time Director of the Company.

Mr. Nishith Arora's principal terms of appointment including remuneration as contained in the Agreement dated May 25, 2015, are given below:

TERM OF APPOINTMENT:

Mr. Nishith Arora would hold the office of Whole Time Director for a period of 3 years w.e.f. May 25, 2015.

REMUNERATION

Salary:

₹3,50,000 per month, or such other sum not exceeding ₹5,00,000 per month as may be determined by the Board from time to time, at its discretion;

Provided that the total amount of remuneration payable to Mr. Arora, including other allowances as mentioned in paragraph below, shall not exceed 5% of the net profit as specified in Section 197 of the Act.

Other allowances:

a. The benefit of a Personal Accident Insurance Policy effected by the Company, the premium not to exceed ₹15,000/- per annum as per rules of the Company;

b. The benefit of the Group Medi-claim policy effected by the Company, as per the rules of the Company the premium not to exceed a half month's salary per annum;

Perquisites:

a. The use of a telephone for business purposes at the residence of Mr. Arora, the rent, call charges and other outgoings in respect thereof being paid by the Company; save and except for personal long distance calls which shall be billed by the Company to, and payable by, Mr. Arora directly;

b. The use of one chauffeur driven motorcar for business purposes, all expenses for running and upkeep of such motorcar as also the salary of the chauffeur being borne and paid by the Company; use of motor car for personal purposes shall be billed by the Company to Mr. Arora;

c. The benefit of the Company's Provident Fund Scheme in accordance with the rules of the Scheme for the time being in force, subject to the condition that the Company's contribution thereto shall not exceed 12% of the salary of Mr. Arora as laid down in the Income Tax Rules, 1962 for the time being in force;

d. Gratuity at the rate of 15 days salary for each completed year of service as Whole Time Director;

e. The benefit of the Company's Superannuation Scheme in accordance with the rules of the Scheme for the time being in force provided that the Company's contribution hereto together with the Company's contribution to the Provident Fund shall not exceed 27% of Mr. Arora's salary as laid down in the Income Tax Rules, 1962 for the time being in force;

f. Leave on full remuneration as per the rules of the Company for the time being in force. In case of leave not availed of, Mr. Arora shall be entitled to encash the same at the end of his tenure under this Agreement;

g. Casual and sick leave on full remuneration including all benefits in accordance with the rules of the Company for the time being in force; and

h. Reimbursement of travelling and entertainment expenses reasonably incurred by him exclusively for the business of the Company.

In case of loss or inadequacy of profits of the Company in any Financial Year, the remuneration payable to Mr. Nishith Arora as aforesaid shall be minimum remuneration subject to the provisions of Section II of Part II of Schedule V to the Act.

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

Mr. Nishith Arora may terminate his Agreement with the Company for any reason whatsoever by giving 90 days' notice in writing. Likewise, the Company may terminate the Agreement with Mr. Nishith Arora for any reason whatsoever, by giving 90 days' notice or salary in lieu of notice.

In the event Mr. Nishith Arora ceases to be a Whole Time Director of the Company either on the expiry or earlier termination of the Agreement, he shall ipso facto cease to be a Director of the Company and its Chairman.

In the event Mr. Nishith Arora becomes disqualified as a Director for any reason other than an inadvertent breach of the provisions of Section 164 and 167 of the Act or failure through inadvertence or oversight to secure leave of absence from Meetings of Directors (in either of which latter events he may be re-appointed as the Whole Time Director), he will ipso facto vacate the office of Whole Time Director and Director and cease to be its Chairman.

During Mr. Arora's employment under the Agreement, he shall not directly or indirectly engage himself in any other business, occupation or employment whatsoever, provided however that it is permissible for Mr. Arora with the previous sanction of the Board of Directors to hold any non-executive directorship or directorships, share or shares of any other company or companies, and the holdings of any such permitted directorships or shares not to be deemed a contravention of this provision. Mr. Arora may, however, hold share or shares quoted on a recognized Stock Exchange without the consent of the Board of Directors.

Copy of the above Agreement for the appointment of Mr. Nishith Arora, as the Whole Time Director, would be available for inspection at the registered office of the Company between 11.00 AM to 5.00 PM on all working days till AGM and during the continuance of the AGM.

Additional Information, required under clause 49 of the Listing Agreement and Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India, is given in Annexure to this Notice.

The Board of Directors is of the opinion that Mr. Arora's expertise and experience will be beneficial to the Company. The Board of Directors considers the remuneration payable to Mr. Arora to be fair and commensurate with his duties and responsibilities.

Mr. Rahul Arora is interested in the passing of the resolutions at Item nos. 5 and 6 of the Notice, being interested Director by virtue of the fact that he is the son of Mr. Nishith Arora. Mr. Nishith Arora is also interested in resolutions at Item nos. 5 and 6 since they relate to his own appointment as Director and Whole Time Director.

The Board of Directors of the Company recommend the resolutions at Item nos. 5 and 6 of the accompanying Notice for the approval of the members as **Ordinary Resolutions**.

Item No. 7.

MPS Limited incorporated a wholly owned subsidiary, MPS North America, LLC (MPSNA), in USA in May 2013. MPSNA has made three acquisitions in the education publishing services space in the last two years. MPSNA acquired the business of Orlando-based Element LLC in July, 2013 which has added to its range of services for school education publishers. MPSNA also acquired the business of New York-based Electronic Publishing Services Inc. in October, 2014, to add content creation and other capabilities in the higher education space. More recently, MPSNA acquired the business of TSI Evolve Inc., which strengthened the Company's position in the reading segment of the school education market.

Ms. Yamini Tandon has a vast experience in school education segment and has been dealing with the entire school education business including the content services. Ms. Yamini Tandon has been working on the Operations Management, Team Management and Account Management.

For further expansion of the business of the Company Ms. Tandon is appointed as Senior Vice President of MPSNA and she is relocated to USA with effect from May 11, 2015. During the period Ms. Tandon will work in the USA, she will be paid a total remuneration of USD 145,600 per annum by MPSNA.

Ms. Tandon is related to Mr. Nishith Arora as daughter–in-law and to Mr. Rahul Arora as spouse. Such appointment of Ms. Tandon to MPSNA is covered under Section 188(1)(f) of the Companies Act, 2013, (**the "Act"**) read with the Companies (Meetings of the Board and Its Powers) Rules, 2014 i.e. 'Appointment to an office or place of profit in the subsidiary'.

Mr. Rahul Arora is interested in the passing of the resolution at Item no. 7, being interested Director by virtue of the fact that he is husband of Ms. Tandon. Mr. Nishith Arora is interested in the passing of the resolution at Item no. 7, being interested Director by virtue of the fact that he is father-in-law of Ms. Tandon.

The Board of Directors of the Company recommend the resolution set out at Item no. 7 of the accompanying Notice for the approval of the members as **Special Resolution**.

Item no. 8

In terms of Section 180(1)(c) of the Companies Act 2013 (**the "Act"**), the Board of Directors of the Company can borrow upto an aggregate of the paid-up share capital and free reserves of the Company. Under the Act, securities premium amount is not considered as free reserves. In view of the requirements under the Act it is proposed to seek the approval of the members under Section 180(1)(c) of the Act by a special resolution for the borrowing limits authorizing the Board of Directors of the Company to borrow, from time to time, amount not exceeding ₹150 crores (Rupees One Hundred and Fifty Crores only) in excess of the aggregate of the paid-up share capital and free reserves (that is to say, reserves which as per the Company's latest audited Balance Sheet are available for distribution as dividend).

The Board of Directors of the Company recommend the resolution set out at Item no. 8 of the accompanying Notice for the approval of the members as a **Special Resolution**.

By Order of the Board

Sd/-

Place: Gurgaon — **Hitesh Kumar Jain**

Date: May 25, 2015 — DGM-Legal & Company Secretary

Registered Office:

RR Towers IV, Super A,
16/17, T V K Industrial Estate,
Guindy, Chennai - 600 032
CIN: L22122TN1970PLC005795
Email: investors@adi-mps.com

Annexure

(For Item no. 3, 5,and 6)

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE AND SECRETARIAL STANDARD ON GENERAL MEETINGS:

Particulars	Mr. Nishith Arora	Mr. Rahul Arora
Date of Appointment	May 25, 2015	August 12, 2013
Age	57 Years	30 Years
Last Gross Remuneration	₹162.21 lacs per annum	₹49.52 lacs per annum
Qualifications	Graduation in Economics from Delhi University, PGDBM from IIM, Ahmedabad and 3-year Owner President Management program at Harvard Business School.	Bachelor's in Science from Babson College, USA and a Post Graduate Programme in Management from the Indian School of Business, Hyderabad.
Expertise in specific functional area	Mr. Nishith 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 Services Limited. He is also a co-founder of ADI Media Private Limited, a leading B2B magazine publisher.	Mr. Rahul Arora is currently Chief Executive Officer and a Whole Time Director of the Company. He is focused on leading the organization towards its next phase of growth. 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. 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.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Rahul Arora – Son	Mr. Nishith Arora – Father
Number of Meetings of the Board attended during the year	6 Meetings	4 Meetings
Directorships held in other Public limited Companies in India	ADI BPO Services Limited	ADI BPO Services Limited
*Chairmanships / Membership of Committees in other public limited companies in India.	NIL	NIL
Shareholding in the Company (No. of shares)	NIL	NIL

*Committees considered for the purpose are those prescribed in clause 49(VIII)(E) of the Listing Agreement viz. Audit Committee and Stakeholders' Relationship Committee.

DIRECTORS' REPORT

Dear Shareholders

The Directors are pleased to present the Forty-Fifth Annual Report together with the Accounts for the year ended March 31, 2015.

Financial Performance

The financial performance of the Company for the Financial Year 2014-15 is summarised as under:

₹ in lacs

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Gross Income	21,379.90	19,495.81
Profit Before Interest, Depreciation and Tax (Excluding Exceptional Income)	8,649.58	7,138.23
Finance Charges	29.23	38.43
Provision for Depreciation	517.07	505.22
Profit Before Tax (Excluding Exceptional Income)	8,103.28	6,594.58
Exceptional Income	772.05	-
Provision for Tax	3,005.21	2,250.14
Net Profit After Tax	5,870.12	4,344.44
Balance of Profit brought forward*	6,549.98	6,154.77
Balance available for appropriation	8,039.67	7,153.33
Transfer to General Reserve	587.01	434.44
Surplus carried to Balance Sheet	7,452.66	6,718.89

* Opening balance of surplus in statement of profit and loss as as on April 1, 2014 adjusted with depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life for ₹168.91 lacs (Net of deferred tax of ₹85.83 lacs).

Operational Performance

Revenue from Operations for the year ended March 31, 2015 was ₹203.17 crores as against ₹188.29 crores for the previous year. The Profit after Tax for the year ended March 31, 2015 was ₹58.70 crores and EPS ₹34.76 per share as against ₹43.44 crores and ₹25.82 per share respectively for the previous year ended March 31, 2014.

Price pressure on sales continued during the year though it was partly compensated by higher volume from the customers.

Dividend

During the year under review, the Board of Directors of your Company has declared and paid two Interim Dividends, viz. first Interim Dividend of ₹12 per share declared on August 20, 2014 and the second Interim Dividend of ₹10 per share declared on January 29, 2015, aggregating to ₹22 per share, which is the Final Dividend for the Financial Year 2014-15, against the total dividend paid during the previous Financial Year of ₹17 per share. Total cash outflow (including dividend distribution tax thereon) was ₹43.80 crores for the Financial Year 2014-15 as against ₹33.46 crores for the previous Financial Year. The total distribution of profit after tax as dividend for the Financial Year 2014-15 stands at 74.62%.

Transfer to the Investor Education and Protection Fund

In terms of Section 205A of the Companies Act, 1956 (as applicable) **(the 1956 Act)** an amount of ₹310 being unclaimed dividend for the Financial Year ended December 31, 2008, which remained unclaimed for a period of 7 years from the date of transfer of the same to Unclaimed / Unpaid Dividend Account, has been transferred during the year to the Investor Education and Protection Fund established by the Central Government under Section 205C of the 1956 Act.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unclaimed dividend amounts, lying in the respective Unpaid / Unclaimed Dividend Accounts of the Company as on August 8, 2014 (date of last Annual General Meeting), on the Company's website, as also on the Ministry of Corporate Affairs' website.

Board Meetings

During the year under review, 6 (Six) meetings of the Board of Directors were held to transact the business of the Company. The time gap between the two consecutive Board Meetings was not exceeding 120 days. Details of the Board meetings, including the attendance of Directors at these meetings are provided in the Corporate Governance Report annexed to this Report.

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 year ended March 31, 2015 was USD 4.17 million as compared to the USD 1.45 million during the previous period. The pretax profit for the year was USD 0.71 million and post - tax profit was USD 0.45 million as compared to previous period pretax loss of USD 0.31 million and post-tax loss of USD 0.19 million respectively.

During the Financial Year 2014-15, MPSNA acquired the business of Electronic Publishing Services Inc. and TSI Evolve Inc.

Details of the subsidiary as per first proviso to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 are attached to this Report as **Annexure A.**

Consolidated Financial Statement

As required under the Listing Agreement(s) entered into with the Stock Exchange(s) and in accordance with the Accounting Standard (AS) 21 on Consolidated Financial Statement, the audited Consolidated Financial Statement for the year ended March 31, 2015 is provided in the Annual Report. The Consolidated Financial Statement discloses the assets, liabilities, income, expenses and other details of the Company and its subsidiary.

Annual Return

An extract of Annual Return in Form MGT – 9, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is attached to this Report as **Annexure B**.

Registered Office

Your Company had filed a petition with Regional Director, Southern Region, for shifting of its Registered Office from the state of Tamil Nadu to the National Capital Territory, Delhi. However due to various administrative reasons, the Company has withdrawn the said petition.

Deposits

Your Company has not accepted any deposits from the public during the year under review.

Loans, Guarantees And Investment

All the investments of the Company are as per the provisions of Section 186 of the Companies Act, 2013 and the rules made thereunder. Your Company has constituted an Investment Committee which, after proper evaluation and assessment of all the proposed investment proposals as per specified parameters, provides its recommendation to the Board. Details of the investments made by the Company are disclosed in the Notes to Standalone Financial Statements.

During the Financial Year under review, your Company has not provided any secured / unsecured loan or guarantees / securities in respect of any such loan. Your Company has not obtained any secured term loan during the year.

Qualified Institutional Placement

During the Financial Year 2014-15, your Company had raised ₹150 crores by issue of 1794258 Equity Shares of ₹10/- each at ₹836 (including premium of ₹826) each to the Qualified Institutional Buyers through Qualified Institutional Placement **(QIP)** pursuant to the provisions of Section 42 of the Companies Act, 2013 and the Rules made thereunder and the Securities and Exchange Board of India (Issue of Capital and Disclosure

Requirements) Regulations, 2009. The net proceeds of the Issue (net of issue expenses) are to augment funds for growth opportunities such as acquisitions and strategic initiatives and for general corporate purposes and any other purposes as may be permissible under applicable law. These funds have temporarily been invested in high quality interest/dividend bearing liquid instruments, including money market mutual funds pending utilization for the objects of the QIP.

Paid Up Share Capital

Subsequent to the issue of 1794258 Equity Shares of the Company under QIP, the Subscribed, Issued and Paid-up share Capital of the Company has increased to ₹18,61,69,260/- (consisting of 1,86,16,926 Equity Shares of ₹10 each) from ₹16,82,26,680/- (consisting of 16822668 Equity Shares of ₹10 each).

Directors, Key Managerial Personnel and Employees

On the recommendation of the Nomination and Remuneration Committee, Ms. Yamini Tandon, Vice President- Service Delivery, was appointed as an Additional Director and thus a Whole Time Director for a period of 5 years with effect from August 11, 2014 subject to the approval of the member. Thereafter, member accorded their approval for the appointment of Ms. Yamini Tandon as a Whole Time Director of the Company for a period of 5 (five) years with effect from August 11, 2014 through Postal Ballot, results of which were declared on March 13, 2015. An application pursuant to Sections 196 and 197 read with Clause (e), Part I, Schedule V to the Companies Act, 2013, in Form MR-2 has been filed with the Central Government (Ministry of Corporate Affairs) on November 6, 2014 since Ms. Tandon was not a resident in India for a continuous period of 12 months preceding the date of her appointment as a Whole Time Director and the application is currently pending. Ms. Tandon has resigned from the Board of the Company w.e.f. May 8, 2015. The Board places on record its deep appreciation for the valuable contributions made by Ms. Tandon during her tenure as a Director of the Company.

Mr. Rahul Arora, Whole Time Director, retires at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. As part of succession plan of the Company, Mr. Rahul Arora has been appointed as the Chief Executive Officer of the Company effective from May 25, 2015. He will also continue to be the Whole Time Director of the Company. The Company had earlier filed an application on November 8, 2013, under the Companies Act, 1956 before the Central Government (Ministry of Corporate Affairs), since Mr. Rahul Arora was not a resident in India for a continuous period of 12 months preceding the date of his appointment as a Whole Time Director of the Company. Pursuant to the provisions of Sections 196 and 197 read with Clause (e), Part I, Schedule V to the Companies Act, 2013, the Company, in continuation, has applied afresh vide its application in Form MR-2 filed on March 11, 2015 and the application is currently pending.

During the year under review, members approved the re-appointment of Mr. Nishith Arora, as Managing Director of the Company for a further period of 3 (Three) years with effect from April 19, 2015. To ensure the seamless implementation of management's succession plan, Mr. Nishith Arora resigned as Managing Director of the Company w.e.f. May 25, 2015. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at its meeting held on May 25, 2015 appointed Mr. Nishith Arora, as an Additional Director and also as Whole Time Director of the Company for a period of 3 (three) years w.e.f. May 25, 2015. As an Additional Director Mr. Nishith Arora would hold the office of Director upto the date of the ensuing 45th Annual General Meeting. The Company received a Notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Nishith Arora for the office of Director, liable to retire by rotation. The Board of Directors, considering Mr. Nishith Arora's expertise and performance is of the view that his continued association with the Company as a Director, liable to retire by rotation and as Whole Time Director, would be of immense help to the Company. Accordingly your Board of Directors recommend the appointment of Mr. Nishith Arora as a Director, liable to retire by rotation and as Whole Time Director for a period of 3 (three) years w.e.f. May 25, 2015 at the ensuing 45th Annual General Meeting of the Company. Upon appointment Mr. Nishith Arora will continue to be the Executive Chairman.

Mr. Supriya Kumar Guha ceased to be the Company Secretary and Compliance Officer of the Company with effect from September 30, 2014 consequent to his resignation. Mr. Hitesh Kumar Jain, a fellow member of the Institute of Company Secretaries of India, has been appointed as the Company Secretary and Compliance Officer of the Company with effect from October 29, 2014.

Declaration by Independent Directors

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Nomination and Remuneration Policy

As per the provisions of Section 178 (3) of the Companies Act, 2013, on the recommendation of the Nomination and Remuneration Committee, your Company has formulated a Nomination and Remuneration Policy. The policy is formulated for setting criteria with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions of the Company, to determine remuneration, based on the Company's size, financial position, trends and practices on remuneration prevailing in the industry, to carry out evaluation of the performance of Directors, Key Managerial and Senior Management Personnel and to attract, retain, motivate, and promote talent and to ensure long term sustainability of talented Managerial Persons, and create competitive advantage. The Nomination and Remuneration Policy is appended as **Annexure C** to this Report.

Particulars of Directors and Employees

Pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, details/ informations related to the remuneration of Directors and Key Managerial Personnel are set out in **Annexure D** to this Report.

Board Evaluation

Pursuant to the provisions of the of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out a formal annual performance evaluation of its own performance, the Directors individually, the Chairman of the Board and its various Committees. The criteria of evaluation have been laid down in the Performance Evaluation Policy adopted by the Company. The performance evaluation was based on the set of structured questionnaire relating to the functioning of the Board as a whole, various Committees of the Board within the terms of powers delegated to them, the Directors individually and the Chairman of the Board as well as discussion with each Director or Committee Member.

Director's Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

a. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b. the Directors have 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 at the end of the Financial Year and of the profit and loss of the Company for that period;

c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors have prepared the Annual Accounts on a going concern basis;

e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were generally operating effectively; and

f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and generally operating effectively.

Internal Financial Control

The Company has a robust system of internal financial control, commensurate with the size and complexity of its business operations. It ensures that all the business transactions are recorded in a fair and transparent manner. The Company has an external and independent firm of Internal Auditors which scrutinizes the financials and other operations of the Company. The Internal Auditors also checks if the applicable laws have been complied with or not. Internal Auditors reports to the Audit Committee. Based on the findings of Internal Auditors, process owners undertake corrective action in their respective areas. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee. The Company has also appointed an external and independent firm to review and access the adequacy of Internal Financial Control system of the Company and to suggest the measures to strengthen the same wherever they would find any scope for further improvement.

Audit Committee and Vigil Mechanism

Composition of the Audit Committee and details regarding the Vigil Mechanism established by your Company, as required under Section 177 of the Companies Act, 2013 are mentioned in the Corporate Governance Report annexed to this report.

Risk Management

Your Company carries out a periodical exercise to identify various risks involved in the business and operations of the Company. After identification, such risks are assessed for the degree of risks involved and accordingly steps are taken to mitigate those risks. The objective of such exercise is to mitigate the probable adverse impact on business operations and thus enhance the competitiveness. The risk assessment process of the Company defines the risk management approach at all levels across the organisation including determination of the degree of risks and proper steps to be taken to avoid the probable harm. The Board is updated periodically on the risks identified and steps taken for mitigating them.

Auditors and Audit Reports

Statutory Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants, existing Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting. The Company has received written consent and confirmation from them to the effect that their appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013 and rules framed thereunder and that they satisfy the criteria provided thereunder for re-appointment.

Your Directors, on the recommendation of the Audit Committee, decided to recommend to the members the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No. 015125N) as the Statutory Auditors of the Company to hold office from the conclusion of the forthcoming Annual General Meeting till the conclusion of the next Annual General Meeting.

The report of the Statutory Auditors on the Financials of the Company for the Financial Year ended March 31, 2015 read with relevant Notes thereon are self-explanatory and do not call for any further explanation. The Auditors report does not contain any qualification, reservation or adverse remark.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board has appointed M/s R Sridharan and Associates, Practicing Company Secretaries, as Secretarial Auditors of your Company for the Financial Year 2014-15. The Secretarial Audit Report for the Financial Year 2014-15 prepared by them, is annexed to this Report as **Annexure E**.

The Secretarial Auditor has not expressed any qualification or reservation in their report and the report is self-explanatory.

Corporate Governance

The Company is committed to maintain the highest standards of corporate governance that lays strong emphasis on integrity, transparency and overall accountability. A detailed report on Corporate Governance together with a certificate from the Statutory Auditors of the Company confirming compliance with the conditions of corporate governance stipulated in Clause 49 of the Listing Agreement, is annexed to this Report.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Out-Go

Pursuant to Section 134(3) (m) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014, the following information is provided:

A. Conservation of Energy:

The provisions regarding disclosure of particulars 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.

B. Technology Absorption

Particulars regarding Technology Absorption are annexed to this Report as **Annexure F.**

C. Foreign Exchange earnings and Outgo

During the year under review, foreign exchange earned through exports was ₹202.97 crores as against ₹188.06 crores for the previous year ended March 31, 2014. Foreign exchange outgo was ₹12 crores as against the previous year figure of ₹12.34 crores. Thus, the net foreign exchange earned by the Company during the year was ₹190.97 crores. The details of foreign exchange earnings and outgo are given in the Notes forming part of the Audited Accounts for the year ended March 31, 2015.

Corporate Social Responsibility

Enactment of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications issued by the Ministry of Corporate Affairs has brought in more responsibility on the Corporate Sector for nation building through participation in Corporate Social Responsibility programs.

Your Company is running its Corporate Social Responsibilities (CSR) programs since January 2013, even before the new requirements under the Companies Act, 2013. As per the requirement of Section 135 of the Companies Act, 2013, your Company constituted a Corporate Social Responsibility Committee in the Financial Year 2014-15 and on the recommendation of this committee also laid down its CSR Policy. Your Company has launched '**MPS Limited Girls Education Project**' (the **"CSR Project"**) under which your Company provides supports through grant-in-aid to IIPMACT, a non-profit making organisation, for imparting primary high quality education to out-of-school under privileged girls, between 6 to 14 years of age, from marginalized communities across India. Under the CSR Project your Company adopts teaching schools, called '**Learning Centers**' wherein Company covers expenses of the CSR Project such as teachers and other staff salaries, training, teaching and learning materials.

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.

Your Company has supported 90 Learning Centers spread in villages of Dehradun (Uttarakhand), Mewat (Haryana) and Bundi (Rajasthan). Your Company has devised proper system to monitor the activities under the CSR Project as per its CSR Policy.

The Company's contributions to its CSR Projects are in accordance with the requirements of Schedule VII to the Companies Act, 2013. The Company spent ₹63.31 lacs towards the CSR Project during 2014-15 as compared to ₹16.60 lacs in the previous year.

Details of the CSR Activities undertaken by the Company are specified in **Annexure G** to this Report.

Related Party Transactions

Your Company has formulated a Policy on Related Party Transaction (available on the Company's website **"www.adi-mps.com"**) as recommended by the Audit Committee to the Board, which defines materiality of related party transactions and sets the procedure for dealing with related party transactions based on the Companies Act, 2013, Clause 49 of the Listing Agreement, applicable Accounting Standards and other laws and regulations.

All related party transactions that were entered into during the Financial Year 2014-15 were on arm's length basis and in the ordinary course of business of the Company. The Company has not entered into any material related party transactions with its Promoters, Directors and Key/ Senior Managerial Personnel which may have a potential conflict with that of the Company at large. All the related party transactions are placed before the Audit Committee for its prior approval. Details of all the related party transactions of the Company are disclosed in Notes to Standalone Financial Statements for the year ended March 31, 2015.

Prevention of Sexual Harassment at Workplaces

The Company has adopted an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has set up an Internal Complaint Committee to redress the complaints, if any, received. During the year under review, no complaint was received from any employee of the Company involving sexual harassment and no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Significant and Material Orders Passed by any Regulators or Court

There is no significant material order passed by any regulator or court which would impact the going concern status or future business operations of the Company.

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

Gurgaon
May 25, 2015

Nishith Arora
Chairman

Annexure A

Form AOC–1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY

₹ in lacs

Name of the subsidiary	MPS North America, LLC
Reporting period for the subsidiary concerned	Financial Year 2014-15
Reporting currency and exchange rate as on the Financial Year ended on March 31, 2015	₹62.50 = USD 1
Share capital	₹1,784.76
Reserves & surplus	₹246.87
Total assets	₹2,378.62
Total Liabilities	₹2,378.62
Investments	Nil
Turnover	₹2,564.32*
Profit before taxation	₹434.64*
Provision for taxation	₹160.93*
Profit after taxation	₹273.71*
Proposed Dividend	Nil
% of shareholding	100%

*Converted at monthly average exchange rates.

For and on behalf of the Board of Directors

Gurgaon
May 25, 2015

Nishith Arora
Chairman

Annexure B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L22122TN1970PLC005795
2	Registration Date	January 19, 1970
3	Name of the Company	MPS Limited
4	Category / Sub-Category of the Company	Public company limited by shares
5	Address of the registered office and contact details	RR Towers IV, Super A, 16/17, Thiru Vi Ka Industrial Estate, Guindy, Chennai - 600 032 Tel: +91 – 44 - 49162222 Fax:+91 – 44 - 49162225
6	Whether listed company (Yes / No)	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited Subramanian Building, 1 Club House Road, Chennai – 600002 Tel: +91- 44 – 28460390 Fax: +91- 44- 28460129

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company:

Name and Description of main products / services	NIC Code of the Product/ service	% to total Turnover of the Company#
Content creation, production, transformation, and technology services (Computer Programming and Related Activities and Information Service Activities)	*620 & 631	95.03%

#On the basis of gross turnover.

*Company operates in one segment of providing publishing solutions viz., typesetting and data digitization service, falls under two broader classifications.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of Company	Address of Company	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held as on 31/03/2015	Applicable Section
1	ADI BPO Services Limited	N-49, Greater Kailash-1,New Delhi – 110 048	U22110DL2006PLC144592	Holding Company	67.77%	2(46)
2	MPS North America, LLC	5750 Major Blvd., Suite 100, Orlando, Florida-32819 (USA)	L13000078013	Subsidiary Company	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) CATEGORY-WISE SHARE HOLDING

	Category of Shareholders	No. of shares held at the beginning of the year (as on 01.04.2014)				No. of shares held at the end of the year (as on 31.03.2015)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
(a)	Individual/HUF	-	-	-	-	-	-	-	-	-
(b)	Central Govt.	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	12616996	-	12616996	75.00	12616996	-	12616996	67.77	-7.23*
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	12616996	-	12616996	75.00	12616996	-	12616996	67.77	-7.23*
(2)	Foreign									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A)= (A)(1)+(A)(2)	12616996	-	12616996	75.00	12616996	-	12616996	67.77	-7.23*
B.	Public Shareholding	-	-	-	-	-	-	-	-	-
(1)	Institutions	-	-	-	-	-	-	-	-	-
(a)	Mutual Funds	-	-	-	-	1048639	-	1048639	5.63	5.63
(b)	Banks / FI	2450	-	2450	0.01	5165	-	5165	0.03	0.02
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIIs	4602	-	4602	0.03	855455	-	855455	4.60	4.57
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other - Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
	Sub- Total (B)(1)	7052	-	7052	0.04	1909259	-	1909259	10.26	10.22
2.	Non- Institutions									
(a)	Bodies Corporate	517588	-	517588	3.08	334438	-	334438	1.80	-1.28
(i)	Indian	-	-	-	-	-	-	-	-	-
(ii)	Overseas	-	-	-	-	-	-	-	-	-

	Category of Shareholders	No. of shares held at the beginning of the year (as on 01.04.2014)				No. of shares held at the end of the year (as on 31.03.2015)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	Individuals									
i	Individual shareholders holding nominal shares capital up to ₹1 lacs	2063489	31120	2094609	12.45	2157455	27520	2184975	11.74	-0.71
ii	Individual shareholders holding nominal shares capital in excess of ₹1 lac	1087695	-	1087695	6.47	985834	-	985834	5.30	-1.17
(c)	Others (specify)									
	Directors and Relatives	9731	-	9731	0.06	9731	-	9731	0.05	-0.01*
	Non-Resident Indians	163282	-	163282	0.97	207461	-	207461	1.11	0.14
	Hindu Undivided Family	317585	-	317585	1.89	349906	-	349906	1.88	-0.01
	Foreign National	-	-	-	-	425	-	425	-	0.00
	Clearing Members	8130	-	8130	0.05	17901	-	17901	0.10	0.05
	Sub- Total (B)(2)	4167500	31120	4198620	24.96	4063151	27520	4090671	21.97	-2.99
	Total Public Shareholding (B)= (B)(1)+(B)(2)	4174552	31120	4205672	25.00	5972410	27520	5999930	32.23	7.23
(C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	16791548	31120	16822668	100	18589406	27520	18616926	100	0.00

(ii) SHAREHOLDING OF PROMOTERS

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2014)			Shareholding at the end of the year (as on 31.03.2015)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	ADI BPO Services Limited	12616996	75.00	NIL	12616996	67.77	NIL	-7.23*
	Total	12616996	75.00	NIL	12616996	67.77	NIL	- 7.23*

* No change in number of shares held. Decrease in % of shareholding is due to allotment of 1794258 equity shares to Qualified Institutional Buyers under Qualified Institutional Placement.

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

Sl. No.		Shareholding at the beginning of the year (as on 01.04.2014)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	12616996	75.00	12616996	75.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	#	#	#	#
	At the end of the year (as on 31.03.2015)			12616996	67.77

No change in number of shares held. Decrease in % of total shareholding of Promoter from 75% to 67.77% is due to allotment of 1794258 equity shares to Qualified Institutional Buyers under Qualified Institutional Placement.

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sl. No.	Name of Shareholder	Shareholding at the beginning (01.04.2014 – 31.03.2015)		Date	Change (Purchase/ Sale)	No. of shares	Cumulative Shareholding during the year / at the end of the year#	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Dileep Moreshwar Wagle	180000	1.07					
				31.12.2014	Sale	14294	165706	0.89
				02.01.2015	Sale	15706	150000	0.81
							150000	**0.81**
2.	Ramesh S Damani	154000	0.92					
				23.04.2014	Sale	4000	150000	0.81
							150000	**0.81**
3	Vinay Purushottam Karve	102604	0.61					
				04.07.2014	Sale	22678	79926	0.43
				11.07.2014	Sale	1731	78195	0.42
				18.07.2014	Sale	4591	73604	0.40
				25.07.2014	Sale	4601	69003	0.37
				14.08.2014	Sale	5913	63090	0.34
				22.08.2014	Sale	2000	61090	0.33
				29.08.2014	Sale	1000	60090	0.32
				05.09.2014	Sale	90	60000	0.32
				08.09.2014	Sale	1000	59000	0.32
				30.09.2014	Sale	1000	58000	0.31
				28.11.2014	Sale	1000	57000	0.31
				09.01.2015	Sale	1000	56000	0.30
							56000	**0.30**

Sl. No.	Name of Shareholder	Shareholding at the beginning (01.04.2014 – 31.03.2015)		Date	Change (Purchase/ Sale)	No. of shares	Cumulative Shareholding during the year / at the end of the year#	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
4	Discovery Wealth Management Services (P) Ltd.	100000	0.59					
				23.05.2014	Sale	100000	0	0
							Nil	**Nil**
5	Nitin Tandon	78000	0.46					
				30.09.2014	Sale	12600	65400	0.35
				16.01.2015	Sale	14400	51000	0.27
							51000	**0.27**
6	Kavita Gambhir	55100	0.33					
				04.04.2014	Sale	100	55000	0.30
				02.05.2014	Purchase	200	55200	0.30
				09.05.2014	Sale	200	55000	0.30
				16.05.2014	Purchase	300	55300	0.30
				23.05.2014	Sale	10105	45195	0.24
				30.05.2014	Sale	1627	43568	0.23
				06.06.2014	Sale	11158	32410	0.17
				13.06.2014	Sale	32221	189	0.00
				20.06.2014	Purchase	1157	1346	0.01
				30.06.2014	Purchase	53	1399	0.01
				04.07.2014	Sale	399	1000	0.01
				14.08.2014	Sale	1000	0	0.00
				22.08.2014	Purchase	5000	5000	0.03
				06.09.2014	Purchase	2917	7917	0.04
				12.09.2014	Purchase	1333	9250	0.05
				21.09.2014	Sale	9002	248	0.00
				28.11.2014	Sale	248	0	0.00
				05.12.2014	Purchase	10000	10000	0.05
				19.12.2014	Sale	9000	1000	0.00
				05.01.2015	Sale	500	500	0.00
				30.01.2015	Sale	500	0	0.00
				10.02.2015	Purchase	200	200	0.00
				20.02.2015	Sale	200	0	0.00
							Nil	**Nil**
7	Mukul Mahavir Prasad Agrawal	55001	0.33	-	-	-		
							55001	**0.30***
8	Karan Singh	45000	0.27	-	-	-		
							45000	**0.24***
9	Nilesh Hastimal Shah	45000	0.27	-	-	-		
							45000	**0.24***
10	Vimal Sagarmal Jain	45000	0.27					
				18.07.2014	Sale	22500	22500	0.12
				01.08.2014	Sale	9000	13500	0.07
							13500	**0.07**

*No change in number of shares held. Decrease in % of shareholding is due to allotment of 1794258 equity shares to Qualified Institutional Buyers under Qualified Institutional Placement.

Percentage sharaholding is based on the expanded capital, post allotment of equity shares under Qualified Institutional Placement.

V. SHAREHOLDING OF DIRECORS AND KEY MANAGERIAL PERSONNEL

(₹in lacs)

Sl. No.	Name of Director/ KMP	Shareholding at the beginning of the year (as on 01.04.2014)		Date	Change (Purchase/ Sale)	No. of shares	Cumulative Shareholding during the year / at the end of the year (31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
A.	Directors							
1	Nishith Arora (Chairman & Managing Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	D E Udwadia (Independent Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	Vijay Sood (Independent Director)	9731	0.06	-	-	-	9731	0.05*
4	Ashish Dalal (Independent Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Rahul Arora (Whole Time Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Yamini Tandon (Whole Time Director) (w..e.f. 11.08.2014)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
B.	Key Managerial Personnel							
1	Sunit Malhotra (Chief Financial Officer)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Hitesh Kumar Jain (DGM- Legal & Company Secretary) (wef. 29.10.2014)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

*No change in number of shares held. Decrease in % of shareholding is due to allotment of 1794258 equity shares to Qualified Institutional Buyers under Qualified Institutional Placement.

V. INDEBTEDNESS

The Company has not availed any term loan during the Financial Year 2014-15 and is a debt free Company.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND / OR MANAGER:

(₹ in lacs)

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Nishith Arora (CMD)	Rahul Arora (WTD)	Yamini Tandon (WTD) (wef August 11, 2014)	
1	Gross salary #				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	96.05	30.47	14.76	**141.28**
	(b) Value of perquisites under Section 17(2) of Income-Tax Act,1961	5.30	0.19	1.95	**7.44**
	(c) Profits in lieu of salary under Section 17(3) of Income-Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4	Commission - as % of profit - Others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	101.35	30.66	16.71	148.72
	Ceiling as per the Act	₹834.72 lacs (being 10% of the net profits of the Company for the year ended March 31, 2015 computed as per Section 198 of the Companies Act, 2013.)			

Gross Salary does not include Performance Linked Bonus, pertains to the Financial Year 2014-15, payable in the next Financial Year after approval by the Board of Directors.

B. REMUNERATION TO OTHER DIRECTORS (NON EXECUTIVE INDEPENDENT DIRECTORS)

(₹ in lacs)

Sl. No	Particulars of Remuneration	Name of Directors			Total Amount
		D.E.Udwadia	Ashish Dalal	Vijay Sood	
	Fee for attending Board/Committee Meetings	7.00	6.40	11.00	**24.40**
	Commission #	21.73	20.06	21.73	**63.52**
	Others, please specify	-	-	-	-
	Total (B)	28.73	26.46	32.73	87.92
	Ceiling as per the Act	Ceiling for the commission is ₹83.47 lacs (being 1% of the net profits of the Company for the year ended March 31, 2015 computed as per Section 198 of the Companies Act, 2013.)			
	Total Managerial Remuneration (A+B)				236.64
	Overall Ceiling as per the Act	₹918.19 lacs (being 11% of the net profits of the Company for the year ended March 31, 2015 computed as per Section 198 of the Companies Act, 2013.)			

Commission pertains to the previous year, paid during the Financial Year 2014-15.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD (₹ in lacs)

Sl. No	Particulars of Remuneration	Key Managerial Personnel #			
		CEO	Company Secretary Hitesh Kumar Jain (w.e.f. 29.10.2014)	CFO Sunit Malhotra	Total Amount
1	Gross salary #	Covered under point VI (A) (in CMD)			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961		8.35	29.83	38.18
	(b) Value of perquisites under Section 17(2) of Income-Tax Act, 1961		0.11	0.34	0.45
	(c) Profits in lieu of salary under Section 17(3) of Income-Tax Act, 1961		-	-	-
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4	Commission - as % of profit - Others, specify		-	-	-
5.	Others, please specify		-	-	-
	Total (A)		8.46	30.17	38.63

Does not include the remuneration of ₹14.87 lacs paid during the year to Mr. Supriya Kumar Guha, as he ceased to be the Company Secretary of the Company wef 30.09.2014.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES AGAINST COMPANY/ DIRECTORS/ OFFICERS IN DEFAULT:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

On behalf of the Board of Directors

Gurgaon
May 25, 2015

Nishith Arora
Chairman

Annexure C

NOMINATION AND REMUNERATION POLICY

Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions of the Company.
- To determine remuneration based on the Company's size, financial position, trends and practices on remuneration prevailing in peer companies engaged in the industry as the Company.
- To carry out evaluation of the performance of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel.
- To attract, retain, motivate and promote talent and to ensure long term sustainability of talented Managerial Persons and create competitive advantage.

Effective Date:

This policy shall be effective from August 20, 2014.

Definitions:

- Independent Director means a Director as defined in Section 149 (6) of the Companies Act, 2013 read with Schedule IV and Clause 49 of the Listing Agreement with the Stock Exchanges and any further amendment or modification made thereto.
- Key Managerial Personnel (KMP) means-
  (i) Executive Chairman and / or Managing Director;
  (ii) Whole-Time Director;
  (iii) Chief Financial Officer;
  (iv) Company Secretary;
  (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- Senior Management means personnel of the Company who are Members of its Core Management team excluding Board of Directors comprising all Members of Management one level below the Executive Directors including the functional heads. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability

The Policy is applicable to

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

General

- This Policy is divided in three parts:

  Part – A covers the matters to be dealt with and recommended by the Committee to the Board,

  Part – B covers the appointment and nomination and

  Part – C covers remuneration and perquisites etc.
- The key features of this policy shall be included in the Board's Report.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- Identify persons who are qualified to become Director(s) and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, their appointment (including terms thereof) and removal of Director, KMP and Senior Management Personnel.

The Committee may delegate the powers of appointment, remuneration and removal of Senior Management Personnel to the Chairman and Managing Director.

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

• Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and / or KMP and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee shall decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Committee shall not recommend the appointment of any person as a Director including a Managing Director or Whole Time Director who is below the age of twenty one years or has attained the age of seventy years. Provided that the Committee can, subject to the subsisting laws on the subject, recommend the re-appointment of a person holding the position even if the tenure of re-appointment may extend beyond the age of seventy years and such recommendation would be subject to the approval of shareholders by a special resolution.
4. The Committee shall not recommend the appointment or continue the employment of any person as a Managing Director or Whole Time Director who is
   a. an undischarged insolvent or has at any time been adjudged as an insolvent;
   b. has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or
   c. has at any time been convicted by a court of an offence and sentenced for a period of more than six months.

• Term / Tenure:

1. Managing Director / Whole-time Director:

   The Company shall appoint or re-appoint any person as its Managing Director / Whole Time Director for a term not exceeding five years at a time. No recommendation for re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

   The recommendation of the Committee for the appointment or re-appointment of an Independent Director shall be guided by the following:

   a. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
   b. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only as per Listing Agreement.
   c. At the time of appointment of an Independent Director it should be ensured that number of Boards on which such Independent Director Serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

• Evaluation:

The Committee shall carry out evaluation of performance of every Director.

• Termination:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Companies Act, 2013, rules and regulations or the breach of contractual obligation, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director and / or KMP or a Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013 or any other applicable law and rules and regulations made thereunder.

• Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and/or the prevailing policy of the Company. The Board shall have the discretion to retain the Director in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company in accordance with the provisions of the Companies Act, 2013.

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

• General:

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission / variable pay to be paid to KMP(s) shall be in accordance with the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board in the case of Whole-Time Director, KMP and Senior Management Personnel.
4. Where any insurance is taken by the Company on behalf of its Whole-Time Director, Chief Executive Officer, Chief Financial Officer, Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

• Remuneration to Whole-Time / Executive / Managing Director, KMP and Senior Management Personnel:

1. Fixed pay:
   a) The Whole-Time Director and KMP shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, other perks etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
   b) The Remuneration of Senior Management Personnel, including any subsequent change in the remuneration, shall be decided in line with the HR practices of the Company.
   c) Any subsequent change in the Remuneration of KMP (other than Executive Directors) shall be decided in line with the HR practices of the Company.
2. Minimum Remuneration:

   If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing / Whole-time Director(s) in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.
3. Provisions for excess Remuneration:

   If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

• Remuneration to Non- Executive Directors:

1. Remuneration / Commission:

   The remuneration / commission shall be recommended in accordance with the limits and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.
2. Sitting Fees:
   a) The Non- Executive Directors will receive remuneration by way of fees for attending meetings of Board or Committee thereof provided that the amount of such fees shall not exceed the amount as may be prescribed by the Central Government from time to time.
   b) The sitting fee per Meeting, for attending the Board / Committee Meetings of the Company, will be as follows:
      i) For Board Meeting – ₹80,000 per Meeting
      ii) For Audit Committee Meeting – ₹80,000 per Meeting
      iii) For Stakeholders Relationship Committee Meeting – ₹60,000 per Meeting
      iv) For Corporate Social Responsibility Committee Meeting – ₹60,000 per Meeting
      v) For Nomination and Remuneration Committee Meeting – ₹60,000 per Meeting
3. Commission:
   a) Commission may be paid as approved by the shareholders, subject to the limit as per the applicable provisions of the Companies Act, 2013.
   b) At the current level of Company's size and operation, the total amount of commission and sitting fees to be paid to the Non Executive Directors in the aggregate shall be subject to a maximum of ₹80 Lacs in any given financial year. This limit may be reviewed by the Committee in April 2016 and thereafter at the beginning of each financial year.

Annexure D

DETAILS OF REMUNERATION UNDER SECTION 197 OF COMPANIES ACT, 2013 AND RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

A. Details as per Section 197 and Rule 5(1):

(i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2014-15, percentage increase in remuneration of Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2014-15:

Sl. No.	Name of Executive Director / KMP	Designation	Ratio of Remuneration of each Director to median remuneration of employees	Percentage increase in Remuneration from previous year
1	Nishith Arora	Chairman, Managing Director & CEO	42: 1	Nil
2	Rahul Arora	Whole Time Director	13:1	Nil
3	Yamini Tandon #	Whole Time Director	07:1	Nil
4	Sunit Malhotra	Chief Financial Officer	Not Applicable	10
5	Hitesh Kumar Jain*	DGM- Legal & Company Secretary	Not Applicable	Not Applicable

w.e.f. August 11, 2014.

* w.e.f. October 29, 2014.

The Non-Executive Independent Directors of the Company are paid sitting fee and commission within the limits as prescribed under the Companies Act, 2013. The details of remuneration paid to Non-Executive Independent Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-Executive Independent Directors remuneration is therefore not considered for the above purpose.

(ii) The median remuneration of employees in the Financial Year 2014-15 was increased by 7%.

(iii) The Company has 2792 permanent employees on its rolls on standalone basis on March 31, 2015.

(iv) Explanation on the relationship between average increase in remuneration and Company performance during Financial Year 2014-15:

Profit of the Company on standalone basis (without considering Exceptional Item) increased by 23 % in the Financial Year 2014-15 as compared to the previous Financial Year. The average increase in employee's remuneration in Financial Year 2013-14 was 7% which was in line with Industry Standards. While recommending increase in employee's remuneration, Company considered the financial performance of the Company, industry benchmarking, and inflation level.

(v) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company during the Financial Year 2014-15:

Remuneration of the senior employees, including Key Managerial Personnel includes Performance Linked Bonus (PLB) payable on annul basis. The PLB pay-out is decided on the basis of the performance of the Company as a whole and individual performance. During the Financial Year 2014-15, the standalone Profit of the Company before tax (without considering Exceptional item) grew by 23 % as compared to the previous Financial Year.

(vi) The Market Capitalisation of the Company as on March 31, 2015 was ₹1759 crores as compared to ₹612 crores as on March 31, 2014. The Price Earning Ratio of the Company grew to 27.10 as at March 31, 2015 from 14.08 in the previous period. The closing price of the Company's shares as on March 31, 2015 at NSE was ₹944.75 per equity share and at BSE ₹942 per equity share. Equity shares of the Company got listed at NSE and BSE through Direct Listing procedure.

(vii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Overall average increase in the remuneration of employees during the Financial Year 2014-15 was 7%. Average increase in remuneration for Managerial Personnel (KMP) was 10% (only in the case of CFO). The increase in remuneration of CFO is based on performance since joining and industry standards. The period under review for increase in the case of CFO was in excess of 16 months.

(viii) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company during the Financial Year 2014-15:

Performance of the Company has improved considerably. However, there is no corresponding increase in the remuneration of Key Managerial Personnel, except in the remuneration of CFO as detailed above.

(ix) Key parameters for any variable component of remuneration availed by the Directors:

The Executive Directors are entitled for Performance Linked Bonus (PLB). The key parameters as per Company's PLB Policy for determining the payout are as under:

a. Company's overall performance determines the total PLB pay-out for that Financial Year. The Company's actual performance has to be at a minimum of 80% for the PLB to become payable and the maximum payout will not be more than 120%.

b. Based on the performance of the Company as well as performance of the individual Director, the PLB to be paid to an Individual Director, is calculated.

c. The PLB component mentioned in the compensation stack of the Director will be considered for PLB payout calculations.

In the current year the key performance indicators used for the Company performance are:

- Revenue growth (in USD)
- Profitability
- Service delivery and quality
- Innovation

Equal weightage has been given to the above four indicators and the dominant factor used for determining the amounts is the overall Company performance.

The overall Company performance has been pegged at 96% for the PLB payout of the eligible Directors for the Financial Year 2014-15.

Provision made for PLB payout to Executive Directors for the Financial Year 2014-15:

i. Mr. Nishith Arora – ₹52,50,000

ii. Mr. Rahul Arora – ₹16,00,000

iii. Ms. Yamini Tandon– ₹1,92,000 (for the period August 11, 2014 to March 31, 2015)

(x) During the Financial Year 2014-15 no employee received remuneration in excess of highest paid Director.

B. Details as per Section 197 and Rule 5(2) and 5(3):

1. During the Financial Year 2014-15 no employee other than the Managing Director, received remuneration in excess of sixty lacs rupees while working for the whole year or five lacs rupees while working for a part of the year.

2. During the Financial Year 2014-15 no employee, posted and working in a country outside India, not being Directors or their relatives, drawn more than sixty lacs rupees per Financial Year or five lacs rupees per month.

For and on behalf of the Board of Directors

Gurgaon
May 25, 2015

Nishith Arora
Chairman

Annexure E

SECRETARIAL AUDIT REPORT (FORM MR - 3)
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
MPS LIMITED
RR Tower IV, Super A, 16/17,
Thiru-Vi-Ka Industrial Estate, Guindy,
Chennai – 600032

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MPS LIMITED (hereinafter called "the Company") [Corporate Identification Number: L22122TN1970PLC005795]. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 and on the basis of our review, we hereby report that during the year under review, the Company has complied with the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956 to the extent applicable;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment. There is no External Commercial Borrowings during the year under review;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Company has not formulated any Scheme of ESOP/ESPS and hence the requirement of compliance of the provisions of The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 does not arise.

e) The Company has not issued any debentures during the period under review, and hence the requirement of compliance of the provisions of The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 does not arise;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Company has not bought back any Securities during the period under review, hence the requirement of complying with the provision of The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 does not arise;

(vi) We have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are specifically applicable to the Company and categorized under the following major heads/groups:

1. The Trade Marks Act, 1999;
2. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to industrial disputes, wages, bonus, gratuity, prevention of sexual harassment, provident fund, insurance, compensation etc.;
3. The Patents Act, 1970;
4. The Copyrights Act, 1957;
5. Central/State Pollution Control Acts;
6. The Information Technology Act, 2000 and the Rules made thereunder;
7. The Industries (Development and Regulation) Act, 1951;
8. The Special Economic Zones Act, 2005 and the rules made thereunder;
9. The Software Technology Parks of India Rules and regulations;
10. Other local laws as applicable to other offices of the Company;

With respect to Fiscal laws such as Income Tax, Wealth Tax, Professional Tax, Central Sales Tax & Local Sales Tax, Value Added Tax, Central Excise Act, Customs Act and Service Tax, we have reviewed the systems and mechanisms established by the Company for ensuring compliances under various Acts and based on the information and explanation provided to us by the management and officers of the Company and also on verification of compliance reports taken on record by the Board of Directors of the Company, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

We have also examined compliance with the applicable clauses of the following:

(i) The Secretarial Standards on General and Board Meetings specified by the Institute of Company Secretaries of India (ICSI) as prescribed under Section 118 (10) of the Act are applicable with effect from 1st July, 2015. However, the Secretarial Standards 1 and 2 relating to Board and General Meetings, which were issued by the ICSI as recommendatory in nature have been generally complied with.

(ii) The Listing Agreements entered into by the Company with Madras Stock Exchange Limited, BSE Limited and National Stock Exchange of India Limited. The Company's Equity Shares have been delisted from the Madras Stock Exchange Limited with effect from 9th December, 2014 pursuant to the provisions of The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

Adequate notice is given to all Directors for the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. There are certain businesses which can be transacted through Video Conferencing / Audio Visual means as provided under the Companies Act, 2013 and the relevant Rules made there under. Such meetings of board convened through video conferencing were properly convened and recorded in compliance with the provisions of Section 173 (2) of the Companies Act, 2013 read with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014.

Based on the verification of the records and minutes, the decisions were carried out with the unanimous consent of the Directors / Committee Members and no Member dissented on the decisions taken at such Board / Committee Meetings.

Further, in the minutes of the General Meeting, the members who voted against resolutions have been properly recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and nature of operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has obtained approval of the Shareholders through Postal Ballot to offer, issue & allot equity shares through Qualified Institutional Placement (QIP) for an amount not exceeding ₹150 Crores. Subsequently, the QIP Committee at the meeting held on 19th March, 2015 had allotted 17,94,258 Equity Shares at the issue price of ₹836/- per Equity Share (including ₹826/-per share towards the securities premium).

For R.SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775

PLACE : CHENNAI
DATE : 06th May, 2015

This report is to be read with our letter of even date which is annexed as ANNEXURE I and forms an integral part of this report.

ANNEXURE 'I'

To
The Members,
MPS LIMITED
RR Tower IV, Super A, 16/17,
Thiru-Vi-Ka Industrial Estate, Guindy,
Chennai – 600032.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For R.SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775

PLACE : CHENNAI
DATE : 06th May, 2015

Annexure 'F'

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT.

a. Technology absorption:

Efforts in brief made towards technology absorption, adaptation and innovation.	• 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 ISO 27001
Benefits derived from the above	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.

b. Research & Development:

1. Specific areas in which R & D was carried out by the Company	• Workflow and Content Management Solutions • Further development and enhancement of cloud based Digital Publishing platform – DigiCore. • Further customization of MPSTrak (Workflow Management System) for customer specific requirements • Developed highly automated exception based workflow for fast track journal production for scientific publishers • Developed enhanced content enrichment and validation tools • Custom Development and QA projects for customers • Technology Migration • The Company continued its effort towards development of the following: - 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

2. Benefits derived from the above	• Improved competitive positioning • Consolidation of IT resources • Optimized bandwidth usage & management • Improved business continuity at optimized cost • Data security and protection for external treats • Improved communication standards and cost efficiency • Improvement in quality and consistency of service deliveries • Improved productivity
3. Future plan of action	• Enhancing DigiCore platform as per project roadmap • Further leverage HTML5 for providing enhanced experience and powering interactive products • Mobile application development • Migration of more systems to cloud with increased scalability and availability • 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

For and on behalf of the Board of Directors

Gurgaon
May 25, 2015

Nishith Arora
Chairman

Annexure 'G'

ANNUAL REPORT ON CSR ACTIVITIES OF MPS LIMITED DURING THE YEAR ENDED MARCH 31, 2015.

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

CSR policy was formulated by the Board of Directors on August 20, 2014 on the recommendation of the Corporate Social Responsibility Committee.

The CSR Policy of the Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of the society and the area in which it operates. The Company also believes in the trusteeship concept. This entails transcending business interests and working towards making a meaningful difference to the society.

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

As per its CSR policy, the Company may pursue any of the following activities specified in Schedule VII to the Companies Act, 2013:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans;
4. Setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
5. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
6. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;
7. Measures for the benefit of armed forces veterans, war widows and their dependents;
8. Training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports;
9. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
10. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
11. Rural development projects.

CSR projects and programs or activities that benefit only the employees of the Company and their relatives shall not be considered as CSR activities. Also, the CSR activities undertaken in India only will be taken into consideration, in order to satisfy the requirement of Section 135 of the Companies Act, 2013.

The CSR policy of the Company is available at the website of the Company at "**www.adi-mps.com**".

2. **Composition of the CSR Committee:**

Mr. Nishith Arora, (Chairman)

Mr. Vijay Sood, (Independent Director)

Mr. Rahul Arora, (Whole Time Director)

3. Average net profit of the Company for last three Financial Years: ₹3944.98 lacs

4. Prescribed CSR Expenditure (two percent of the amount as in point 3 above): ₹78.89 lacs

5. Details of CSR spent during the Financial Year:
   (i) Amount spent during the Financial Year 2014-15: ₹63.31 lacs (including provision for ₹19 lacs committed as on March 31, 2015)
   (ii) Amount unspent, during the Financial Year 2014-15: ₹15.58 lacs
   (iii) Reason for amount unspent as (ii) above:
   With effect from January 2014, with the support of the Company, IIMPACT were serving 40 Learning Centers. These learning centers have been further increased to 90 with effect from July 2014. The shortfall in the contribution to CSR in the Financial Year 2014-15 is because the Company could not add further centers by the end of the Financial Year 2014-15 which it had envisaged. Your Company has already increased the support to 100 learning centers in the first quarter of the Financial Year ended March 31, 2016.
   (iv) Manner in which amount on CSR activities spent is detailed as under:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Imparting quality primary education to young girls between 6 to 14 years of age, from marginalized communities titled as 'MPS Limited Girls Education Project'	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Project is being carried on in Local as well as other areas.	₹84,000/- per Learning Center per annum.	Direct Expense: 63.31 lacs. Overheads: Nil	63.31 lacs	Through implementing agency: *IIMPACT
	TOTAL	-	-	-	63.31 lacs	63.31 lacs	-

*Implementing Agency: IIMPACT, a non-profit making organisation, operating with the vision to transform the lives of women, families and entire communities in India by the education and empowerment of the girl child.

Responsibility Statement:
The implementation and monitoring of CSR Policy of the Company is in compliance with CSR objectives and Policy of the Company.

For MPS Limited

Gurgaon
May 25, 2015

Nishith Arora
CEO & Chairman - CSR Committee

CORPORATE GOVERNANCE REPORT

The Company's Governance Philosophy

Corporate Governance is a set of rules and principles, which an organisation follows in its day – to day functioning thereby ensuring transparency in its functioning, accountability for the executors and fairness in its system. Corporate Governance is about commitment to values and ethical conduct of business of the organisation. The Corporate Governance framework also depends on legal, regulatory, institutional and ethical environment of the community. It refers to a combination of laws, regulations, procedures, implicit rules and voluntary practices that enable organizations to perform efficiently & effectively and thereby maximize long-term value for the shareholders, while ensuring fairness to all stakeholders. At MPS Limited ("MPS" or "Company") we firmly believe that practice of good Corporate Governance is critical to enhance competitiveness and to protect long term interest of all its 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 shareholders. 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 shareholders, employees, Government and other parties.

Board of Directors

Composition of the Board

The Board of Directors of the Company as on March 31, 2015 consisted of six Directors with one Executive Chairman & Managing Director, two Whole Time Directors 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. The Whole Time Directors are subject to retirement by rotation.

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

The composition of the Board, outside Directorships and other Memberships or Chairmanships of Board Committees as on March 31, 2015 are as under:

Name of the Director & Designation	Category	No. of Directorships and Committee Memberships in other companies			
		Directorships[1]		Committee Memberships[2]	
		As Chairman	As Member	As Chairman	As Member
Mr. Nishith Arora, Chairman & Managing Director[3]	Executive & Promoter	Nil	1	Nil	Nil
Mr. D E Udwadia Vice Chairman	Independent Non-Executive	1	6	2	6
Mr. Ashish Dalal	Independent Non-Executive	Nil	Nil	Nil	Nil
Mr. Vijay Sood	Independent Non-Executive	Nil	2	Nil	1
Mr. Rahul Arora	Executive	Nil	1	Nil	Nil
Ms. Yamini Tandon[4]	Executive	Nil	Nil	Nil	Nil

1. The Directorships excludes Directorships in Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013, Private Limited Companies and alternate Directorships.
2. In accordance with Clause 49 of the Listing Agreement, Membership(s) / Chairmanship(s) of only the Audit Committees and Stakeholders' Relationship Committees in all Public Limited Companies (excluding that of the Company) has been considered.
3. Resigned as Managing Director and appointed as Whole Time Director w.e.f. May 25, 2015. He continues as Executive Chairman.
4. Appointed as Whole Time Director (WTD), w.e.f. August 11, 2014. Ms. Tandon resigned as WTD w.e.f. May 8, 2015.

Independent Directors

Appointment of all the Independent Directors for a period of 5 consecutive years with effect from May 22, 2014 was approved by the shareholders at the 44th Annual General Meeting of the Company held on August 8, 2014. As per Schedule IV to the Companies Act, 2013 and Clause 49 B of the Listing Agreement, formal letters of appointment were issued to all the Independent Directors and the terms and conditions of their appointment have been disclosed on the website of the Company, which can be accessed at http://www.adi-mps.com/Investors/CorporateGovernance.aspx#Indepe_Directors.

All the Independent Directors on the Board of the Company are eminent people having relevant experience and expertise in their respective fields / profession. They effectively contribute to the decision making through active participations at meetings of the Board of Directors and Committees thereof.

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

None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where any Independent Director is serving as Whole Time Director in any listed company, such Director is not serving as Independent Director in more than three listed companies.

The Company has familiarization program for Independent Directors regarding their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. and details of the same are available on the website of the Company at http://www.adi-mps.com/Investors/PDF/MPS-%20Familiarization%20Programme.pdf.

A separate meeting of Independent Directors was held on January 29, 2015 without the presence of Executive Directors and members of management. All the Independent Directors attended this meeting.

Board Meetings and Procedures

The meetings of the Board are governed by a structured agenda. The meetings are convened by giving appropriate notice to all the Directors. Material and background information on all major agenda items are provided to the Directors well before the meeting to enable the Board to take informed decisions. Where it is not practicable to provide the detailed information or document in respect of any specific agenda item, it is tabled before the meeting with specific reference to this effect in the agenda. The Board reviews at its meetings the information to be placed before it as per Listing Agreements with the Stock Exchanges. In case of exigencies or urgency of matters, resolutions are passed by circulation in which case detailed background note and related documents alongwith draft resolutions are circulated to the Directors. When any Director is not able to attend any Board Meeting physically, facilities are provided to them to attend the meeting through audio-video conferencing and the applicable procedures specified in Section 173(2) of the Companies Act, 2013 read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 relating to meetings of Board through video conferencing or other audio visual means are followed and complied with.

A compliance report on applicable laws is provided to the Board on a quarterly basis to enable it to review the status of compliance of all applicable laws. Any instances of non-compliances alongwith the steps taken by the Company to rectify instances of non-compliances are also provided to the Board.

Draft minutes of the meetings are prepared and circulated to all the Directors after the meeting for their review and comments. Minutes are recorded in the Minutes Book within 30 days from the date of conclusion of the meeting.

During the year under review, the Board met 6 times on May 22, 2014, August 08, 2014, August 20, 2014, October 29, 2014, January 29, 2015 and March 20, 2015. The maximum time gap between the two consecutive Board meetings was less than one hundred twenty days.

Attendance of the Directors at the Board Meetings and at the last Annual General Meeting:

Director	No. of Meetings		Attended last AGM on August 8, 2014 in Chennai
	Held	Attended	
Mr. Nishith Arora	6	6	Yes
Mr. D E Udwadia	6	5	Yes
Mr. Ashish Dalal	6	6	Yes
Mr. Vijay Sood	6	6	Yes
Mr. Rahul Arora	6	4	Yes
Ms. Yamini Tandon (w.e.f. August 11, 2014)	6	4	Not Applicable

Directors' Interest in the Company

Shareholding of the Directors as on March 31, 2015:

Name of the Director	No. of Shares held
Mr. Nishith Arora	Nil
Mr. D E Udwadia	Nil
Mr. Ashish Dalal	Nil
Mr. Vijay Sood	9,731
Mr. Rahul Arora	Nil
Ms. Yamini Tandon	Nil

Board Committees

The Board has constituted various statutory and non-statutory committees as per the need. The process and guidelines applicable to the Board are also applicable and followed in respect of the Committee Meetings.

(A) Audit Committee

The Audit Committee of the Board meets the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement in relation to the composition, powers, roles and terms of reference. 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 investigate any activity within its terms of reference; to seek any information from any employee; to obtain outside legal or other independent professional advice; and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary. The roles of the Audit Committee, inter alia, includes the examination and oversee of company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible; recommending to the Board, the appointment, remuneration and terms of appointment of the Statutory and Internal Auditors of the Company; reviewing and monitoring the auditor's independence and performance and effectiveness of the audit process; approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors; reviewing, with the management, the annual and quarterly Financial Statements and Auditor's Report thereon before submission to the Board for approval; reviewing the application of funds raised through public issue, rights issue, preferential issue etc. and related matters; approval or any subsequent modification of transactions of the Company with related parties; scrutinize inter-corporate loans and investments; approval of valuation of undertakings or assets of the Company, whenever it is necessary; review the Internal Audit Report; reviewing and evaluating internal financial controls, adequacy of the internal control and risk management systems; reviewing the functioning of the Whistle Blower mechanism, approval of the appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.

Composition, Meetings and Attendance of the Audit Committee

During the year, the Committee met four times on May 22, 2014, August 8, 2014, October 29, 2014 and January 29, 2015. Maximum time gap between any two consecutive meetings was less than four months.

The composition and the attendance of Members at the Audit Committee Meetings held during the Financial Year 2014-15, are given below:

Member	Position and Category	No. of meetings held	No. of meetings attended
Mr. Vijay Sood	Chairman - Non-Executive Independent Director	4	4
Mr. D E Udwadia	Member - Non-Executive Independent Director	4	4
Mr. Nishith Arora	Member - Executive Director	4	4

All the Members of the Audit Committee are financially literate and Mr. Vijay Sood and Mr. Nishith Arora are having accounting or related financial management expertise by virtue of their comparable experience and background.

At the meeting(s) of the Audit Committee the Statutory Auditors, Internal Auditors, CFO, Finance Controller and other Senior Management personnel, as required, are present. The Company Secretary acts as a Secretary to the Audit Committee.

(B) Nomination and Remuneration Committee

The Composition, powers, roles and terms of reference of Nomination and Remuneration Committee meets the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Role of the Nomination and Remuneration Committee, inter alia, includes the formation of criteria for determining qualification, positive attributes and independence of Directors; recommendation of the remuneration policy for the Directors, Key Managerial Personnel and other senior management personnel to the Board; formulation of criteria for evaluation of Independent Directors and the Board; devising policy on Board diversity; recommendation of remuneration of the Managing Director(s) and Whole Time Director(s) based on their performance and defined assessment criteria and commissions to Non-Executive Independent Directors; identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment and removal and other terms as may be referred to by the Board from time to time.

Composition, Meetings and Attendance of the Nomination and Remuneration Committee

During the year, the Nomination and Remuneration Committee met four times on May 22, 2014, August 8, 2014, August 20, 2014 and January 29, 2015.

The composition and the attendance of Members at the Nomination and Remuneration Committee Meetings held during the Financial Year 2014-15, are given below:

Member	Position and Category	No. of meetings held	No. of meetings attended
Mr. D E Udwadia	Chairman – Non-Executive Independent Director	4	4
Mr. Vijay Sood	Member - Non-Executive Independent Director	4	4
Mr. Ashish Dalal	Member - Non-Executive Independent Director	4	4
Mr. Nishith Arora*	Member - Executive Director	4	1

*Appointed as a Member of the Nomination and Remuneration Committee at the Board Meeting held on August 20, 2014.

Remuneration Policy

The Company's Remuneration Policy is aimed at identifying persons who are qualified to become Directors and persons who may be appointed in Senior Management and Key Managerial positions, attracting and retaining high caliber talent, taking into account the talent market, the remuneration trend and the competitive requirement of its business and to determine remuneration of the Directors, Senior Management and Key Managerial Personnel. Nomination and Remuneration Committee recommends the remuneration of the Directors and Key Managerial Personnel to Board of Directors for their approval subject to the approval by the shareholders, wherever so required.

The remuneration to Directors and Key Managerial Personnel has a balance between fixed and performance based incentives.

The Company pays sitting fees and remuneration (commission) to Non-Executive Independent Directors in accordance with the provisions of the Articles of Association of the Company and within the limits set out in the Companies Act, 2013.

Directors' Performance Evaluation Policy

Nomination and Remuneration Committee has formulated the criteria for evaluation of the performance of each Director, including Independent Directors, the Chairman, the Board as a whole and the Committees of the Board. Evaluation process covers their functioning as Directors or Independent Directors or Board or Committees of the Board. The evaluation process is a constructive mechanism to improve the effectiveness of the Board and the Committees thereof.

Directors' Remuneration during the Financial Year 2014-15

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, 2015 (All figures in ₹ lacs)			
				Sitting Fees	Salary, Perks & Commission	Commission (Paid during the year and pertains to previous year)	Total
Mr. Nishith Arora*	Father of Mr. Rahul Arora & Father-in-Law of Ms. Yamini Tandon	Promoter & Director of holding company, ADI BPO Services Limited[2]	Nil	Nil	159.89[1]	Nil	159.89
Mr. D E Udwadia[3]	Nil	Nil	Nil	7.00	Nil	21.73	28.73
Mr. Ashish Dalal	Nil	Nil	Nil	6.40	Nil	20.06	26.46
Mr. Vijay Sood	Nil	Nil	Nil	11.00	Nil	21.73	32.73
Mr. Rahul Arora	Son of Mr. Nishith Arora and Husband of Ms. Yamini Tandon	Director of holding company, ADI BPO Services Limited[2]	Nil	Nil	48.56[1]	Nil	48.56
Ms. Yamini Tandon**	Wife of Mr. Rahul Arora and Daughter-in-Law of Mr. Nishith Arora	Nil	Nil	Nil	18.49[1]	Nil	18.49

[1]Remuneration to Executive Directors includes Performance Linked Bonus (PLB) and Annual Bonus as stated below, provided in accounts as per their respective contracts. PLB payout is considered based on the criteria laid down by the Nomination and Remuneration Committee on revenue growth (in USD), profitability, service delivery & quality and innovation. The actual PLB has been recommended at 96% of the amount as per the contract by the Nomination and Remuneration Committee and approved by the Board. This will be paid in the Financial Year 2015-16. Gratuity and Leave Salary are not included as these have been accrued on the basis of actuarial valuation for the Company as a whole.

(₹in lacs)

Director	Mr. Nishith Arora*	Mr. Rahul Arora	Ms. Yamini Tandon**
PLB	52.50	16.00	1.92
Annual Bonus	8.40	2.34	1.31
Severance/ Notice Period	6 months or as otherwise decided by the Board.	3 months or as otherwise decided by the Board, while working in India and any time while working from USA	3 months or as otherwise decided by the Board.

* The contract of Mr. Nishith Arora as Managing Director expired on April 18, 2015. He has been re-appointed as the Managing Director for a further period of 3 (three) years effective from April 19, 2015. Effective May 25, 2015, Mr. Nishith Arora resigned as Managing Director and was appointed as Whole Time Director. He continues as an Executive Chairman.

**Ms. Yamini Tandon resigned from the directorship of the Company with effect from May 8, 2015.

[2]During the year ended March 31, 2015, the Company paid ₹293.94 Lacs to ADI BPO Services Limited, the promoter company, wherein Mr. Nishith Arora and Mr. Rahul Arora are Directors. The above amount represents rent for Dehradun facility taken on lease and computers and other assets acquired by the Company.

[3]During the year ended March 31, 2015, the Company paid ₹1.05 Lacs to the law firm M/s Udwadia, Udeshi & Argus Partners as fees for professional services (legal advice) obtained by the Company from this firm. Mr. D E Udwadia is a founder partner of this 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. Udwadia as a Director of the Company.

There were no other pecuniary relationships or transactions of Non-Executive Independent Directors vis-à-vis the Company. The Company does not have any stock option scheme.

(C) Stakeholders Relationship Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013, rules made thereunder and Clause 49 of the Listing Agreement, the nomenclature of Shareholders/Investors Grievance Committee of the Board was changed to Stakeholders Relationship Committee. This Committee consists of Mr. Ashish Dalal as Chairman and Mr. Nishith Arora as Member. The Committee, inter-alia, looks into redressing of shareholders' and other stakeholders' complaints, transfer/ transmission of shares, non-receipt of balance sheet, non-receipt of declared dividend, issue of duplicate shares, dematerialization / rematerialization of shares, and related matters.

Mr. Hitesh Kumar Jain, DGM – Legal and Company Secretary, is the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchanges.

During the year under review one meeting of the Stakeholders Relationship Committee was held on January 29, 2015.

Stakeholders' Grievance Redressal

The Company gives utmost importance to the redressal of grievances of the stakeholders. In terms of Clause 47(f) of the Listing Agreement, the Company has designated the e-mail ID, investors@adi-mps.com, for investors to lodge their complaints.

Given below are details of Investor's Complaints received and their redressal for the period commencing from April 1, 2014 to March 31, 2015.

Complaints pending at April 1, 2014	Nil
No. of Complaints Received	4
No. of Complaints Resolved	4
Complaints pending as on March 31, 2015	Nil

These complaints mainly pertained to non- receipt of dividend and request for annual reports. As per clause 5A of the Listing Agreement, the Company does not have any unclaimed shares.

Compliance Officer

Hitesh Kumar Jain
DGM – Legal and Company Secretary
C-35, Sector 62, Noida – 201 307, Uttar Pradesh
E-mail: investors@adi-mps.com
Phone 0120-4599754; Fax no. 0120-4021280

(D) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board fulfills the requirements of Section 135 of the Companies Act, 2013 and the rules made thereunder. The Committee consists of Mr. Nishith Arora, Mr. Vijay Sood and Mr. Rahul Arora.

Terms of Reference of the Committee, inter alia, includes:

- Formulate and recommend to the Board, a Corporate Social Responsibility policy which shall indicate the activities to be undertaken by the Company under its Corporate Social Responsibility programme as detailed in the Schedule VII to the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities;
- Formulate an implementation schedule of specific project / activity;
- Establish mechanism for measuring the effectiveness of the Corporate Social Responsibility policy.

During the year, one meeting of the Corporate Social Responsibility Committee was held on August 7, 2014. All the Members attended the meeting.

(E) Other Committees

Besides the above committees, the Company constituted following other working committees:

(i) Investment Committee;
(ii) QIP Committee

Subsidiary Company

The Company does not have any subsidiary in India. The Company has one wholly owned subsidiary in USA, MPS North America LLC, whose financials are consolidated with the financials of the Company.

Code Of Conduct

The Board has laid down a Code of Conduct **(the 'Code')** for the Director's and Senior Management Personnel of the Company as required under Clause 49(II)(E) of the Listing Agreement. The Code is also posted on the website of the Company, **www.adi-mps.com**.

All the Board Members and Senior Management Personnel to whom the Code is applicable have affirmed compliance with the Code.

The Managing Director has provided the following declaration:

"In compliance with the provisions of Clause 49 of the Listing Agreement, the Company had laid down a "Code of Conduct" to be followed by all the Board Members and Senior Management Personnel which received the sanction of the Board and had been posted on the website of the Company.

It is hereby certified that all the Members of the Board and senior management personnel have confirmed to and complied with the "Code of Conduct" during the Financial Year 2014-15 as envisaged in Clause 49 of the Listing Agreement and there has been no instances of violation of the Code."

Nishith Arora
Managing Director
May 25, 2015

Disclosures

(i) The details of transactions with related parties have been disclosed in Note No. 28 to the Annual Audited Accounts of the Company for the Financial Year ended March 31, 2015. There were no material related party transactions of the Company which is considered to have potential conflict with the interest of the Company at large. All related party transactions are entered into on arm's length basis, and are related to the business operations of the Company.

The Company has formulated a policy on materiality of related party transactions and also on dealing with related party transactions. The policy is available on the website of the Company at http://www.adi-mps.com/Investors/CorporateGovernance.aspx#Policy_on_Related.

(ii) The Company has complied with all the requirements, as applicable to the Company, of the Listing Agreement with the Stock Exchange(s) and the regulations and guidelines of the Securities and Exchange Board of India (SEBI).

There have been no instances of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.

(iii) There is no treatment in the preparation of Financial Statements that is different from the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(iv) The Company has adopted a Whistle Blower Policy. No person has been denied access to the Audit Committee. The Company also has a Policy on Prevention of Sexual Harassment. The Company has established the necessary mechanism for employees to report their concerns about unethical and unwelcome behavior. The Whistle Blower Policy is available on the website of the Company and the Prevention of Sexual Harassment Policy is available on the intranet site of the Company.

(v) The Company has complied with all the mandatory requirements under Clause 49 of the Listing Agreements with the Stock Exchanges.

(vi) The Management Discussion and Analysis report is included separately in the Annual Report.

Status of adoption of Non-Mandatory requirements of Clause 49: The Internal Auditors reports to the Audit Committee of the Company.

CEO & CFO Certifcation

The Chairman and Managing Director and CFO of the Company have certified for the Financial Year ended March 31, 2015 on the accuracy of financial reporting and adequacy of internal controls to the Board in terms of Clause 49 (IX) of the Listing Agreements with the Stock Exchanges. Copy of the same is enclosed to this report.

Share Capital Reconciliation Audit

During the Financial Year 2014-15, an independent practicing Company Secretary carried out the Share Capital Reconciliation audit on a quarterly basis 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).

General Body Meetings

Details of last three Annual General Meetings of the Company are as under:

Year	Day, Date and Time of Meeting	Venue	Special Resolutions approved
2011-12	Friday, August 03, 2012 Time: 3:00 P.M.	My Fortune Chennai, 10 Cathedral Road, Chennai 600086	• Appointment and Remuneration of Mr. Nishith Arora as a Managing Director from April 19, 2012 to April 18, 2015, • Reappointment of Mr. Rajiv K Seth as a Managing Director form November 15, 2011 to April 18, 2012, • Appointment of Mr. Rahul Arora to an office or place of profit under Section 314 of the Companies Act, 1956 w.e.f. August 6, 2012. • Commission to non-executive Directors for a period of 5 years. • Alteration of the Articles of Association of the Company.
2012-13	Monday, August 05, 2013 Time: 3:00 P.M.	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 w.e.f August 6, 2013.
2013-14	Friday, August 08, 2014 Time: 10.30 A.M.	My Fortune Chennai, 10 Cathedral Road, Chennai 600086	• Appointment of Ms. Yamini Tandon to an office or place of profit under Section 188 of the Companies Act, 2013 (Section 314 of the Companies Act, 1956) as Vice President- Service Delivery. • Amendment of Clause 161 of the Articles of Association of the Company as per Section 14 of the Companies Act, 2013.

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

As per Section 108 of the Companies Act, 2013 read with rules made thereunder and Clause 35B of the Listing Agreement, e-voting facility was provided to the Shareholders of the Company for voting on the resolutions electronically, at the Annual General Meeting held on August 08, 2014.

Postal Ballot

During the Financial Year 2014-15, the Company conducted one Postal Ballot Process as per the provisions of Section 110 of the Companies Act, 2013, rules made thereunder and the Listing Agreements with the Stock Exchanges.

Postal Ballot Notices containing proposed special resolutions and explanatory statements thereto were sent at the registered addresses of the shareholders along with the Postal Ballot Form and a postage pre-paid envelope containing the address of the Scrutinizer appointed by the Board of Directors of the Company. The Company had also provided e-voting facility to its shareholders for casting their votes electronically. After considering the votes casted electronically during the period e-voting was opened and votes casted physically on Postal Ballot Forms, the Scrutinizer submitted his report to the Company for declarations of results. The result of the Postal Ballot was immediately intimated to the Stock Exchanges and also posted on the Company's website. The details of the resolutions and voting pattern are given below:

Date of Postal Ballot notice and declaration of result	Name of Scrutinizer	Brief of Resolution(s)	Percentage of votes cast in favour / against of the resolution
January 29, 2015 (Result declared on March 13, 2015)	Mr. R Sridharan, (FCS) of R Sridharan & Associates, Company Secretaries	• Special Resolution under Sections 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder read with SEBI ICDR Regulations to issue and allot equity shares / equity linked instrument through Qualified Institutional Investors Placement for an amount aggregating up to ₹150 crores (One Hundred and Fifty crores).	In favour : 99.99% Against : 0.01%
		• Special Resolution under Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder read with Schedule V to the Companies Act, 2013, to appoint Ms. Yamini Tandon (DIN 06937633) as a Whole Time Director of the Company for a period of 5 years w.e.f August 11, 2014.	In favour : 98.93% Against : 1.07%
		• Special Resolution under Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, the Rules made thereunder read with Schedule V to the Companies Act, 2013, to reappoint Mr. Nishith Arora (DIN 00227593) as the Managing Director of the Company for a period of 3 years w.e.f. April 19, 2015.	In favour : 99.78% Against : 0.22%

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

Means of Communication

The Company has been sending physical copies of the Annual Reports, notices and other communications through the prescribed modes of postage. However, in case where email-id of shareholders are registered, such communications are sent to the registered email-id of such Shareholders.

- The Quarterly and Annual Results of the Company as per the statutory requirement under Clause 41 of the Listing Agreement with the Stock Exchanges are published in the Financial Express (English Newspaper) and Makkal Kural / Maalai Sudar (Tamil Newspapers) and are sent to the Stock Exchanges.
- In compliance with the Listing Agreement, the Company promptly submits the Financial Results and other business updates to the Stock Exchange(s) to enable them to display these on their websites.
- The Financial results, investor's updates, shareholding patterns, press releases and other shareholders information(s) of the Company are also displayed on the website of the Company, **www.adi-mps.com.**

General Shareholders Information

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

Date: July 20, 2015 (Monday)

Time: 2:30 P.M

Place: The Raintree Hotel, Anna Salai, 636, Teynampet, Chennai 600 035,

Financial Year: April 1 to March 31

b. Financial Calendar (Tentative)

Tentative Calendars for declaration of results for the Financial Year 2015-16 is given below:

Results for the Quarter/ Year ending	Date of Declaration
June 30, 2015	On or before 14 August 2015
September 30, 2015	On or before 14 November 2015
December 31, 2015	On or before 14 February 2016
March 31, 2016 (annual)	On or before 30 May 2016
Annual General Meeting	On or before 30 September 2016

Date of Book closure: June 29, 2015 (Monday) to June 30, 2015 (Tuesday) (both days inclusive).

c. Dividend Payment Date(s)

Interim Dividend

The Company declared two Interim Dividends during the year under review – first interim dividend (₹12 per share) on August 20, 2014 and the second interim dividend (₹10 per share) on January 29, 2015.

Listing on Stock Exchanges and Stock Code

Equity Shares of the Company are listed and traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Equity shares of the Company got delisted from Madras Stock Exchange (MSE) w.e.f. December 09, 2014, due to voluntary de-recognition of MSE by the Securities and Exchange Board of India. Details of Company's scrip code and ISIN no. are as under:

Stock Exchange	Code – Equity
BSE	532440
NSE	MPSLTD
ISIN	Equity Share-INE943D01017

The Company has paid the annual listing fees for the Financial Year 2015-16 to the Stock Exchanges.

Stock Market Data

National Stock Exchange (NSE)

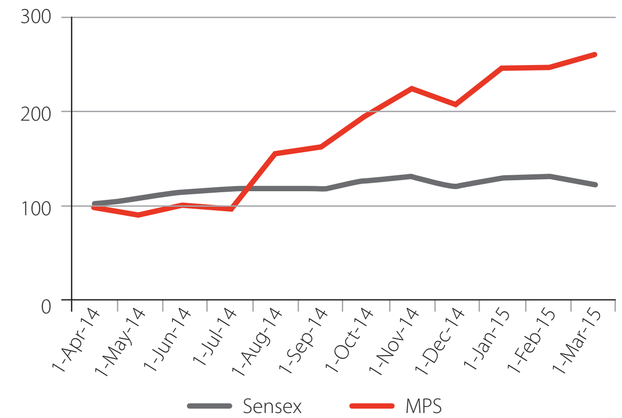
Month	High (₹)	Low (₹)	Close (₹)	Volume
April 2014	418.75	352.00	362.80	3,64,624
May 2014	397.00	299.75	330.90	6,63,427
June 2014	346.80	313.15	360.95	3,87,844
July 2014	374.90	326.25	353.40	2,42,229
August 2014	591.70	346.25	563.45	9,15,840
September 2014	669.00	520.00	593.90	4,95,773
October 2014	746.00	572.20	712.00	7,30,302
November 2014	831.00	685.00	808.95	5,30,010
December 2014	817.70	710.50	755.50	3,14,971
January 2015	1038.00	750.00	895.55	6,95,976
February 2015	939.40	740.00	902.40	2,21,492
March 2015	974.00	851.10	944.75	2,12,956

Bombay Stock Exchange (BSE)

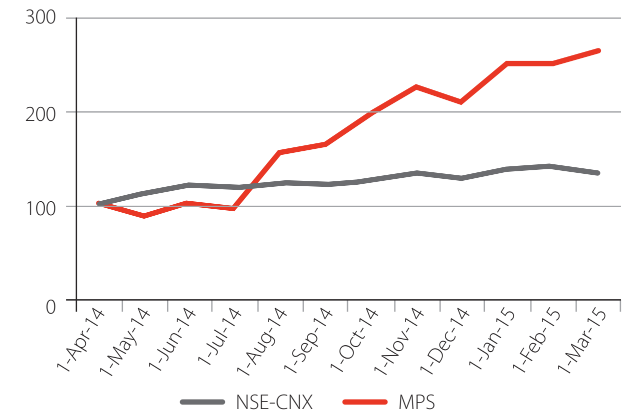
Month	High (₹)	Low (₹)	Close (₹)	Volume
April 2014	416.00	356.10	365.25	95,320
May 2014	396.90	318.00	330.95	2,11,279
June 2014	364.00	316.25	361.40	1,54,650
July 2014	374.70	326.10	354.95	78,321
August 2014	592.00	348.30	564.40	2,95,542
September 2014	667.50	521.65	593.40	1,77,317
October 2014	750.00	572.60	711.55	2,22,367
November 2014	830.55	690.10	810.25	1,57,546
December 2014	816.90	710.05	757.55	88,784
January 2015	1039.00	756.10	896.05	2,16,400
February 2015	936.00	790.00	906.00	1,04,061
March 2015	978.25	768.00	942.00	65,690

Stock Performance Indexed to 100 as on April 1, 2014.

BSE



NSE



Per Share Data

Year	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012 (15 months)	December 31, 2010
Net Earnings (₹Lacs)	5870.12	4,344.44	3,189.02	1,087.13	(880.71)
EPS (₹)	34.76	25.82	18.96	6.46	(5.24)
Dividend per Share (₹)	22.00	17.00	10.00	4.00	Nil
Dividend Payout (%)	74.62	77.01	61.30	71.94	Nil
Book Value per Share (₹)	136.24	55.06	49.12	41.79	39.98
Price to Earnings	27.10	14.08	6.62	6.74	(8.62)
Price to Book Value	6.91	6.60	2.56	1.04	1.13

Dematerialization of shares 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, 2015, a total of 1,85,89,406 shares of the Company, constituting 99.85% of the total Share Capital, were in demat form as detailed hereunder:

At National Securities Depository Limited	1,73,97,717 (93.45%)
At Central Depositories Services (India) Limited	1,191,689 (6.40%)
In Physical Form	27,520 (0.15%)
Total paid up share capital	1,86,16,926 (100%)

Depository Fees:

Annual Custody/ Depository fees for the Financial Year 2015-16 shall be paid to NSDL and CDSL by the Company on receipt of invoice.

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.

During the Financial Year 2014-15, 3600 shares of the Company were demated based on the requests received from the shareholders.

Members Information

Members holding shares in the Electronic form should address their correspondence, except those relating to dividend, to their respective Depository Participants.

Shareholding Pattern

Distribution of Shareholding as at March 31, 2015:

Category of shareholdings From – to	No. of shareholders	% of total	Total Shares	Amount (₹)	% of total amount
1 - 5000	6,972	85.58	668957	6689570	3.59
5001 - 10000	518	6.36	406754	4067540	2.18
10001 - 20000	285	3.50	424463	4244630	2.28
20001 - 30000	122	1.50	312766	3127660	1.68
30001 - 40000	60	0.74	216879	2168790	1.16
40001 - 50000	40	0.49	183157	1831570	0.98
50001 - 100000	83	1.02	588654	5886540	3.16
100001 - and Above	67	0.82	15815296	158152960	84.95
Total	8147	100.00	18616926	186169260	100.00

Category of Shareholding as on March 31, 2015:

Sl. No.	Category	No. of Shareholders	No. of Shares	%
1	Indian Promoters / Person Acting in Concert	1	1,26,16,996	67.77
2	Bodies Corporate	279	334438	1.80
3	Indian Public (Individual /HUF/ Director & their Relatives)	7568	3530446	18.96
4	FIIs / FN/ NRIs	222	1063341	5.71
5	FIs / Mutual Funds / UTI / Banks	12	1053804	5.66
6	Others (Clearing Member)	65	17901	0.10
	Total	8,147	1,86,16,926	100.00

- The Company has not issued any ADRs/ GDRs and hence there are no outstanding ADRs / GDRs as on March 31, 2015.
- The Company has not issued any convertible warrants and hence there are no outstanding convertible warrants as on March 31, 2015.

Publishing Services Locations

Chennai Books, Journals, Digital Services and Learning & New Media Services Unit and Registered Office	RR Towers IV, Super A, 16/17, T VK Industrial Estate, Chennai – 600032, Tamil Nadu
Bengaluru Journals, Books, Digital Services & Ad-Studio Unit	HMG Ambassador, 137 Residency Road, Bengaluru – 560025, Karnataka
Gurgaon Fulfillment Services & Content Hosting unit	340, Udyog Vihar, Phase IV, Gurgaon, Haryana -122016
Delhi Book Composing Unit	Third Floor, NSIC Bhavan, STP Complex, Okhla Industrial Estate, New Delhi – 110020
Noida Book Composing Unit	C-35, Sector 62, Noida – 201 307, Uttar Pradesh
Dehradun Books & Journals Unit	33, Sahastra Dhara Road, IT Park, Dehradun Uttarakhand – 248001
USA Books and Journals Unit	1717 NE 42nd Avenue, Suite 2101, Portland, Oregon – 97213

Registrar and Share Transfer Agent (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
Registered Office Address: MPS Limited RR Towers IV, Super A, 16/17 Thiru Vi Ka Industrial Estate, Guindy, Chennai 600 032 Tel. : (+91 – 44 49162222) Fax No.: (+91 – 44 49162225) Web site address: www.adi-mps.com	Address for Correspondence - Corporate Office: MPS Limited C-35, Sector 62, Noida – 201 307 Uttar Pradesh Tel. : (+91 – 120- 4599754) Fax No.: (+91 – 120 - 4021280)

On behalf of Board of Directors

Place : Gurgaon
Date: May 25, 2015

Nishith Arora
Chairman

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 2015, 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. 015125N)

Vijay Agarwal
Partner
(Membership No. 094468)

Place: Gurgaon
Date: May 25, 2015

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, 2015 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

(Sunit Malhotra)
Chief Financial Officer

Place: Gurgaon
Date: May 25, 2015

Independent Auditor's Report

To the members of
MPS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of MPS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25.1(i) and Note 30 to the financial statements;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 25.6 to the financial statements;

      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company – Refer Note 25.7 to the financial statements.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 015125N)

Vijay Agarwal
Partner
(Membership No.094468)

GURGAON, May 25, 2015

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)

Having regard to the nature of the Company's business/activities/results during the year, clauses (ii) and (vi) of paragraph 4 of the Order are not applicable to the Company.

(i) 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.

(ii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

(iii) 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 purchases of fixed assets and the sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.

(iv) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

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

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth tax, Value Added Tax, Investor Education and Protection Fund, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it and generally been regular in depositing Service Tax with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth tax, Service Tax, Value Added Tax, Investor Education and Protection Fund, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(c) There are no dues of Sales Tax, Wealth tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as at March 31, 2015 on account of disputes. Details of dues of Income-tax and Service Tax which have not been deposited as at March 31, 2015 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in Lacs)*
Income Tax Act	Income tax	Income Tax Appellate Tribunal	FY 2006-07	112.35
Income Tax Act	Income tax	Income Tax Appellate Tribunal	FY 2007-08	163.97
Income Tax Act	Income tax	Income Tax Appellate Tribunal	FY 2008-09	12.95
Income Tax Act	Income tax	Income Tax Appellate Tribunal	FY 2009-10	174.58
Finance Act	Service tax	Customs and Excise Service Tax Appellate Tribunal	July 2003 to September 2008	329.58

*amount as per demand orders including interest and penalty wherever quantified in the order.

(d) In our opinion and according to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

(vi) 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.

(vii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank. Further, in our opinion and according to information and explanations given to us, the Company did not have any amount outstanding to financial institutions or debenture holders.

(viii) 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.

(ix) According to the information and explanations given to us, the Company has not taken any term loan during the year.

(x) 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. 015125N)

Vijay Agarwal
Partner
GURGAON, May 25, 2015 (Membership No.094468)

Balance Sheet as at 31-March-2015

INR in Lacs

Particulars	Note No.	As at 31-Mar-2015	As at 31-Mar-2014
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share capital	3	1,861.69	1,682.27
(b) Reserves and Surplus	4	23,502.05	7,580.94
		25,363.74	9,263.21
2. Non-Current Liabilities			
(a) Long-term borrowings	5	-	1.80
(b) Deferred tax liabilities (net)	29.3	57.23	-
(c) Other long-term liabilities	6	-	7.42
		57.23	9.22
3. Current liabilities			
(a) Trade payables	7	994.99	1,375.53
(b) Other current liabilities	8	958.03	911.64
(c) Short-term provisions	9	376.24	144.64
		2,329.26	2,431.81
TOTAL		27,750.23	11,704.24
II ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10.A	2,102.09	1,742.21
(ii) Intangible assets	10.B	50.47	145.78
		2,152.56	1,887.99
(b) Non-current investments	11	1,784.76	1,047.24
(c) Deferred tax assets (net)	29.3	-	56.30
(d) Long-term loans and advances	12	2,167.57	2,078.71
(e) Other non-current assets	13	17.68	14.35
		6,122.57	5,084.59
2. Current assets			
(a) Current investments	14	15,903.66	1,754.07
(b) Trade receivables	15	3,269.71	2,881.63
(c) Cash and cash equivalents	16	1,278.50	974.58
(d) Short-term loans and advances	17	354.14	223.78
(e) Other current assets	18	821.65	785.59
		21,627.66	6,619.65
TOTAL		27,750.23	11,704.24
See accompanying notes forming part of the financial statements	1-32		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Vijay Agarwal
Partner

Nishith Arora
Chief Executive Officer & Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Hitesh Jain
Company Secretary

Place : Gurgaon
Dated: 25th May, 2015

Place : Gurgaon
Dated: 25th May, 2015

Statement of Profit and Loss for the year ended 31-March-2015

INR in Lacs

Particulars	Note No.	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
I Revenue from operations (net)	19	20,317.37	18,829.21
II Other income	20	1,062.53	666.60
III Total Revenue (I+II)		21,379.90	19,495.81
IV Expenses			
(a) Employee benefits expense	22	8,457.00	7,806.54
(b) Finance costs	23	29.23	38.43
(c) Depreciation and amortisation expense	10	517.07	505.22
(d) Other expenses	24	4,273.32	4,551.04
Total Expenses		13,276.62	12,901.23
V Profit before exceptional items and tax (III-IV)		8,103.28	6,594.58
VI Exceptional items	21	772.05	-
VII Profit before tax (V+VI)		8,875.33	6,594.58
VIII Tax expense:			
(a) Current tax		2,805.85	2,240.45
(b) Deferred tax		199.36	9.69
Total tax expense		3,005.21	2,250.14
IX Profit for the year (VII-VIII)		5,870.12	4,344.44
X Earnings per equity share (of ₹10 each)			
Basic and Diluted	29.2	34.76	25.82
See accompanying notes forming part of the financial statements	1-32		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Vijay Agarwal
Partner

Nishith Arora
Chief Executive Officer & Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Hitesh Jain
Company Secretary

Place : Gurgaon
Dated: 25th May, 2015

Place : Gurgaon
Dated: 25th May, 2015

Cash Flow Statement for the year ended 31-March-2015

INR in Lacs

Particulars	For the year ended 31-Mar-2015		For the year ended 31-Mar-2014	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before extraordinary items and tax		8,875.33		6,594.58
Adjustments for:				
Depreciation & Amortisation	517.07		505.22	
Interest income	(2.05)		(2.52)	
Income from Mutual Funds	(138.67)		(118.48)	
Interest expenses	29.23		38.43	
Loss/(profit) on Sale/disposal / write-off of fixed assets (net)	18.42		(9.38)	
Provision for doubtful debts no longer required written back	(8.72)		(30.76)	
Liabilities/Provisions no longer required written back	(148.50)		(239.07)	
Provision for doubtful loans and advances	62.63		74.41	
Bad debts written off	9.97		113.27	
Loans and advances written off	52.77		39.93	
Unrealised exchange difference (net)	(49.49)		7.24	
Depreciation adjustment recognised as exceptional income	(772.05)		-	
Unrealised marked to market loss on forward contracts	(111.02)		-	
		(540.41)		378.29
Operating profit / (loss) before working capital changes		8,334.92		6,972.87
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(454.10)		159.94	
Short-term loans and advances	22.71		187.46	
Other current assets	(35.94)		222.42	
Long-term loans and advances	(27.27)		(451.84)	
Other non current assets	(3.33)		2.99	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(427.02)		(434.60)	
Other current liabilities	172.67		(492.60)	
Other long-term liabilities	(7.42)		(1.68)	
Short term provisions	-		-	
		(759.70)		(807.91)
Cash generated from operations		7,575.22		6,164.96
Net income tax (paid) / refunds		(2,583.43)		(1,914.49)
Net cash flow from / (used in) operating activities (A)		4,991.79		4,250.47
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances	(277.15)		(247.19)	
Proceeds from sale of fixed assets	10.90		28.05	
Purchase of non current investments - in subsidiaries	(737.52)		(1,047.24)	
Purchase of Investments - others	(14,149.59)		19.05	
Dividends received	138.67		118.48	
Interest received - others	1.93		2.93	
Net cash flow from / (used in) investing activities (B)		(15,012.76)		(1,125.92)

Cash Flow Statement for the year ended 31-March-2015

INR in Lacs

Particulars	For the year ended 31-Mar-2015		For the year ended 31-Mar-2014	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of equity shares (Net off share issue expenses)	14,779.75		-	
Repayment of long-term borrowings	(7.32)		(15.43)	
Finance cost	(29.23)		(10.74)	
Dividend paid	(3,700.99)		(2,859.85)	
Tax on dividend	(679.44)		(486.03)	
Net cash flow from / (used in) financing activities (C)		10,362.77		(3,372.05)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		341.80		(247.50)
Opening balance of cash	974.42		1,109.22	
Add:- Forex loss reversal of PY	(115.62)		(2.92)	
Adjusted opening balance		858.80		1,106.30
Closing balance of cash	1,278.50		974.42	
Add:- Forex loss of CY	(77.90)		(115.62)	
Adjusted closing balance		1,200.60		858.80
		341.80		(247.50)
Cash and bank balances as per balance sheet (Refer Note 16)	1,278.50		974.58	
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*		1,278.50		974.42
*Comprises:				
(i) In current accounts	465.55		561.12	
(ii) In EEFC accounts	662.95		413.30	
(iii) In demand deposit accounts	150.00			
		1,278.50		974.42
See accompanying notes forming part of the financial statements 1-32				

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

For and on behalf of the Board of Directors

Vijay Agarwal
Partner

Nishith Arora
Chief Executive Officer & Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Hitesh Jain
Company Secretary

Place : Gurgaon
Dated: 25th May, 2015

Place : Gurgaon
Dated: 25th May, 2015

Notes forming part of the financial statements

Note 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.

The Company has a wholly owned subsidiary namely MPS North America LLC (MPS NA LLC) as a Limited Liability Company under the laws of the State of Florida in the United States of America.

Note 2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 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 other than for change in the accounting policy for depreciation as described in Note 25.8.

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 Cash and cash equivalents

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.

2.4 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.

2.5 Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Fixed assets costing ₹5,000 or less are fully depreciated in the year of capitalization.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life which is same as prescribed in Schedule II to the Companies Act.

Leasehold land is amortized over the duration of the lease.

Intangible assets (Computer Software) are amortized between 2 to 5 years based on the economic benefits that are expected to accrue to the Company over such period.

Notes forming part of the financial statements

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

During the year, the the Company has changed its accounting policy of providing depreciation on fixed assets effective April 01, 2014. Depreciation is now provided on Straight Line basis for all assets as against the policy of providing on Written Down Value basis for some assets and Straight Line basis for others.

2.6 Revenue recognition

Revenues is recognized when services are rendered and where no significant uncertainty exists regarding the collection of amount of consideration.

Revenues from maintenance contracts are recognized pro-rata over the period of the contract.

Costs and earnings in excess of billings are classified as unbilled revenue which is certain for realization while billings in excess of costs and earnings are classified as deferred revenue.

2.7 Other income

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

Rental income from operating leases is recognized on time proportionate basis over the period of lease.

2.8 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.

2.9 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 are amortized over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense in the period in which such cancellation or renewal is made.

Refer Note 2.17 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

Notes forming part of the financial statements

2.10 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.

2.11 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 employee benefits as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.12 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.

2.13 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.

2.14 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and 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

Notes forming part of the financial statements

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.

2.15 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.

2.16 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.

2.17 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 derivative contracts are marked-to-market and losses are recognized in the Statement of Profit and Loss and Gains arising on the same are recognized to the extent of the underlying assets hedged as on reporting date.

2.18 Share Issue Expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilization in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account are expensed in the Statement of Profit and Loss.

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.

Notes forming part of the financial statements

Note 3 SHARE CAPITAL

Particulars	As at 31-Mar-2015		As at 31-Mar-2014	
	Number of shares	Amount in INR Lacs	Number of shares	Amount in INR Lacs
(a) Authorised share capital				
Equity shares of ₹10 /- each with voting rights	2,00,00,000	2,000.00	2,00,00,000	2,000.00
(b) Issued, Subscribed and fully paid up share capital				
Equity shares of ₹10 /- each with voting rights	1,86,16,926	1,861.69	1,68,22,668	1,682.27
Total		1,861.69		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-2015		As at 31-Mar-2014	
	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	1,68,22,668	1,682.27	1,68,22,668	1,682.27
Add: Fresh issue during the year *	17,94,258	179.42	-	-
At the end of the year	1,86,16,926	1,861.69	1,68,22,668	1,682.27

* Note: On 19-Mar-2015 the Company has allotted 17,94,258 equity shares of the face value of ₹10 each at an issue price of ₹836 (including security premium of ₹826) each aggregating to ₹149.99 crores to the Qualified Institutional Investors through Qualified Institutional Placement (QIP) pursuant to the provisions of Section 42 of the Companies Act 2013 and the Rules made thereunder and Securities and Exchange Board Of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The net proceeds of the Issue (net of issue expenses) are to augment funds for growth opportunities such as acquisitions and strategic initiatives and general corporate purposes and any other purposes as may be permissible under applicable law. These funds have temporarily been invested in high quality interest/ dividend bearing liquid instruments, including money market mutual funds.

(ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹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-2015	As at 31-Mar-2014
	Number of shares	Number of shares
ADI BPO Services Limited, the holding company	1,26,16,996	1,26,16,996

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

Class of share / Name of shareholder	As at 31-Mar-2015		As at 31-Mar-2014	
	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	1,26,16,996	67.77%	1,26,16,996	75.00%

Notes forming part of the financial statements

Note 4 RESERVES AND SURPLUS

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
(a) Securities premium account		
Opening balance	-	-
Add : Premium on shares issued during the year	14,820.57	-
Less : Utilised during the year for:		
Writing off shares issue expenses	220.24	-
Closing balance	14,600.33	-
(b) General reserve:		
Opening balance	862.05	427.61
Add : Transferred from surplus in Statement of Profit and Loss	587.01	434.44
Closing balance	1,449.06	862.05
(c) Surplus in Statement of Profit and Loss:		
Opening balance	6,718.89	6,154.77
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax of ₹85.83 lacs) (Refer Note 25.8.b)	168.91	-
Add : Profit for the year	5,870.12	4,344.44
Less : Interim dividend	3,700.99	2,859.85
Tax on dividends	679.44	486.03
Transferred to general reserve	587.01	434.44
Closing Balance	7,452.66	6,718.89
	23,502.05	7,580.94

Note 5 LONG-TERM BORROWINGS

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
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 8) and security provided. *INR in Lacs*

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Long-term secured loans from bank	-	7.32
Repayable over a period of 36 monthly instalmants 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 8)	-	5.52
	-	1.80

Note 6 OTHER LONG-TERM LIABILITIES

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Rent-equalisation reserve	-	7.42
	-	7.42

Notes forming part of the financial statements

Note 7 TRADE PAYABLES

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Trade payables - Other than acceptances (Refer Note 25.2)	994.99	1,375.53
	994.99	1,375.53

Note 8 OTHER CURRENT LIABILITIES

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
(a) Current maturities of secured loan (Refer Note 5)	-	5.52
(b) Income received in advance (Unearned revenue)	132.95	92.54
(c) Unclaimed dividends*	-	0.16
(d) Rental deposits	-	100.33
(e) Book overdraft	152.15	46.71
(f) Interest accrued but not due	36.71	36.77
(g) Other payables:		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, VAT, Service Tax, etc.)	110.02	138.36
(ii) Payables on purchase of fixed assets	4.14	32.67
(iii) Advances from customers	24.95	25.12
(iv) Others :		
Compensated absences	12.69	-
Gratuity	90.81	29.97
Rent equalisation reserve	7.42	13.45
Others	386.19	390.04
	958.03	911.64

* There is no amount falling due as at the balance sheet date to be transfered 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 20.03 Lacs (PY - INR 21.70 Lacs).

Note 9 SHORT-TERM PROVISIONS

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
(a) Provision for tax (net of advance tax)	308.85	82.07
(b) Provision for service tax (Refer note 30)	67.39	62.57
	376.24	144.64

Notes forming part of the financial statements

Note 10 FIXED ASSETS

INR in Lacs

A. Tangible assets (Owned)	Gross block				Accumulated Depreciation						Net Block	
	Balance as at 01-Apr-2014	Additions / Adjustments	Disposals	Balance as at 31-Mar-2015	Balance as at 01-Apr-2014	For the year	Disposals / Adjustments	Transition adjustment recorded as exceptional income	Transition adjustment recorded against surplus balance in statement of profit and loss	Balance as at 31-Mar-2015	As at 31-Mar-2015	As at 31-Mar-2014
(a) Freehold 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	769.80	24.01	-	423.37	-	370.44	1,059.97	660.61
	(1,430.41)	(-)	(-)	(1,430.41)	(735.03)	(34.77)	(-)	(-)	(-)	(769.80)	(660.61)	(695.38)
(c) Plant & Machinery	3,380.38	253.38	130.58	3,503.18	2,816.91	320.91	126.37	281.91	231.28	2,960.82	542.36	563.47
	(3,516.43)	(196.71)	(332.76)	(3,380.38)	(2,886.59)	(237.79)	(307.47)	(-)	(-)	(2,816.91)	(563.47)	(629.84)
(d) Furniture and Fixtures	413.84	12.98	21.82	405.00	375.93	35.84	18.65	41.26	23.16	375.02	29.98	37.91
	(446.34)	(18.21)	(50.71)	(413.84)	(399.48)	(25.34)	(48.89)	(-)	(-)	(375.93)	(37.91)	(46.86)
(e) Motor Car	109.92	0.03	23.03	86.92	56.66	16.65	14.29	25.51	0.30	33.81	53.11	53.26
	(145.42)	(-)	(35.50)	(109.92)	(61.20)	(19.78)	(24.32)	(-)	(-)	(56.66)	(53.26)	(84.22)
(f) Leasehold improvements	36.78	4.40	-	41.18	14.87	14.69	-	-	-	29.56	11.62	21.91
	(97.08)	(0.88)	(61.18)	(36.78)	(57.66)	(13.36)	(56.15)	(-)	(-)	(14.87)	(21.91)	(39.42)
Total (A)	5,776.38	270.79	175.43	5,871.74	4,034.17	412.10	159.31	772.05	254.74	3,769.65	2,102.09	1,742.21
Previous year	(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)

B. Intangible assets (Owned)	Gross block				Accumulated Depreciation						Net Block	
	Balance as at 01-Apr-2014	Additions / Adjustments	Disposals	Balance as at 31-Mar-2015	Balance as at 01-Apr-2014	For the year	Disposals / Adjustments	Transition adjustment recorded as exceptional income	Transition adjustment recorded against surplus balance in statement of profit and loss	Balance as at 31-Mar-2015	As at 31-Mar-2015	As at 31-Mar-2014
(i) Others - Software (acquired)	1,768.62	9.66	-	1,778.28	1,622.84	104.97	-	-	-	1,727.81	50.47	145.78
	(1,705.49)	(63.13)	-	(1,768.62)	(1,429.69)	(174.18)	(18.97)	(-)	(-)	(1,622.84)	(145.78)	(275.80)
Total (B)	1,768.62	9.66	-	1,778.28	1,622.84	104.97	-	-	-	1,727.81	50.47	145.78
Previous year	(1,705.49)	(63.13)	-	(1,768.62)	(1,429.69)	(174.18)	(18.97)	(-)	(-)	(1,622.84)	(145.78)	(275.80)
Total (A) ± (B)	7,545.00	280.45	175.43	7,650.02	5,657.01	517.07	159.31	772.05	254.74	5,497.46	2,152.56	1,887.99
Previous Year	(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)

* Freehold 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

Notes forming part of the financial statements

Note 11 NON-CURRENT INVESTMENTS

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Investments (At cost):		
Investment in equity units of subsidiary	1,784.76	1,047.24
30,000 Units (As at 31-Mar-2014: 18,000) of USD 100 each fully paid up of MPS North America LLC, USA		
	1,784.76	1,047.24

Note 12 LONG-TERM LOANS AND ADVANCES

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
(a) Security deposits		
Unsecured, considered good (Refer Note (i) below)	292.41	377.95
Doubtful	120.00	60.00
	412.41	437.95
Less: Provision for doubtful deposits	120.00	60.00
	292.41	377.95
(b) Prepaid expenses - Unsecured, considered good	2.50	9.81
(c) Advance income tax (net of provisions)	95.28	117.27
(d) Balances with government authorities - Unsecured, considered good		
(i) VAT refund receivable	-	6.52
(ii) Service tax credit receivable	1,777.38	1,567.16
(e) Others		
Doubtful	15.76	15.76
	15.76	15.76
Less: Provision for doubtful loans and advances	15.76	15.76
	-	-
	2,167.57	2,078.71

Note (i):
Includes INR 100 Lacs (As at 31-Mar-2014 INR 100 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises taken on rent.

Note 13 OTHER NON-CURRENT ASSETS

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Balances held as margin money or security against guarantees	17.68	14.35
	17.68	14.35

Notes forming part of the financial statements

Note 14 CURRENT INVESTMENTS

Particulars	As at 31-Mar-2015		As at 31-Mar-2014	
	Units in '000	INR in Lacs	Units in '000	INR in Lacs
Investment in mutual funds (Unquoted fully paid up)				
TATA Money Market Fund -Direct Plan -Daily Dividend Reinvestment	20.10	201.35	-	-
Birla Sun Life Floating Rate Fund-STP-DDP-Direct	0.78	0.78	-	-
Birla Sun Life Cash Plus - Daily Dividend Direct Plan	-	-	463.56	464.45
Kotak Floater Short Term-DDP-Direct	40.00	404.67	-	-
Kotak Liquid Scheme Plan A - Direct Plan- Daily Dividend*	36.01	440.36	21.95	268.25
Birla Sun Life Savings Fund - Growth-Regular Plan	838.75	2,250.00	-	-
HDFC Liquid Fund - Growth	7,267.81	2,000.00	-	-
HDFC Short Term Opportunities Fund - Growth	13,866.85	2,106.50	-	-
DWS Ultra Short Term Fund - Direct Plan- Daily Dividend	-	-	1,497.32	150.00
ICICI Prudential Liquid -Regular Plan -Growth	968.92	2,000.00	-	-
Reliance Fixed Horizon Fund-XXIII Series 7 Growth Plan	-	-	2,000.00	200.00
Reliance Liquid Fund-Treasury Plan-Growth Plan Growth Option	58.86	2,000.00	-	-
Franklin India Low Duration Fund- Growth	14,693.49	2,250.00	-	-
Franklin India Ultra Short Bond Fund Super Institutional Plan- Growth	12,171.77	2,250.00	-	-
Reliance Liquid Fund - Treasury Plan - Daily Dividend	-	-	27.58	421.37
Axis Treasury Advantage Fund - Direct Plan - Daily Dividend	-	-	24.88	250.00
	49,963.34	15,903.66	4,035.29	1,754.07
Aggregate market value (NAV) of investments		15,943.42		1,773.21

*Mutual Funds Units have been pledged with Kotak Mahindra Bank as security towards hedging facilities availed by the Company.
Units 16355.7773 (NAV on 31-Mar-2015 ₹1222.81)

Note 15 TRADE RECEIVABLES (Unsecured)

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Trade receivable for a period exceeding six months		
Considered good	3.06	63.55
Doubtful	12.19	10.26
	15.25	73.81
Less: Provision for doubtful trade receivables	12.19	10.26
	3.06	63.55
Other trade receivables		
Considered good	3,266.65	2,818.08
Doubtful	2.66	13.31
	3,269.31	2,831.39
Less: Provision for doubtful trade receivables	2.66	13.31
	3,266.65	2,818.08
	3,269.71	2,881.63

Notes forming part of the financial statements

Note 16 CASH AND CASH EQUIVALENTS

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Cash and cash equivalents		
Balances with banks		
(i) In current accounts	465.55	561.12
(ii) In EEFC accounts	662.95	413.30
(iii) In demand deposit accounts	150.00	-
(iv) Other bank balances	-	0.16
Total Cash and cash equivalents	**1,278.50**	**974.58**
Out of the above the balances that meet the definition of Cash and Cash equivalents as per AS 3 Cash Flow Statement is :	1,278.50	974.42

Note 17 SHORT-TERM LOANS AND ADVANCES

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
(a) Security deposits		
Unsecured, considered good	0.45	1.56
Doubtful	1.56	1.46
	2.01	3.02
Less: Provision for doubtful deposits	1.56	1.46
	0.45	1.56
(b) Loans and advances to employees		
Unsecured, considered good	13.81	9.47
Doubtful	12.80	10.17
	26.61	19.64
Less: Provision for doubtful loans and advances	12.80	10.17
	13.81	9.47
(c) Prepaid expenses- Unsecured, considered good	195.55	181.48
(d) Balances with government authorities- Unsecured, considered good		
(i) VAT credit receivable	7.59	5.52
(e) Unrealised MTM gain receivable on forward covers	111.02	-
(f) Others		
Unsecured, considered good	25.72	25.75
	354.14	**223.78**

Note 18 OTHER CURRENT ASSETS

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
(a) Interest accrued on deposits	0.47	0.35
(b) Receivables on sale of fixed assets	-	1.11
(c) Unbilled revenue	821.18	782.79
(d) Others	-	1.34
	821.65	**785.59**

Notes forming part of the financial statements

Note 19 REVENUE FROM OPERATIONS

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
Sale of services		
(i) Exports (Earning in foreign currency)	20,296.75	18,806.25
(ii) Domestic	20.62	22.96
	20,317.37	**18,829.21**

Note 20 OTHER INCOME

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
(a) Interest income from bank on deposits	2.05	2.52
(b) Dividend Income:		
From current investments (mutual funds)	138.67	118.48
(c) MTM and Net gain on foreign currency transactions and translation	632.51	-
(d) Other non-operating income (Refer note (i) below)	289.30	545.60
	1,062.53	**666.60**

Note (i) Other non-operating income comprises:

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
(a) Rental income from operating leases	125.87	145.33
(b) Liabilities & provisions no longer required written back	148.50	239.07
(c) Provision for trade receivables no longer required written back	8.72	30.76
(d) Bad Debts & advances recovered	0.33	0.58
(e) Profit on sale of fixed assets	-	16.39
(f) Miscellaneous income	5.88	113.47
	289.30	**545.60**

Note 21 EXCEPTIONAL ITEMS (INCOME)

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
Depreciation impact due to change in method	772.05	-
	772.05	**-**

During the year, the Company has changed its accounting policy of providing depreciation on fixed assets effective April 01, 2014. Depreciation is now provided on Straight Line basis for all assets which was hitherto provided on Written Down Value basis for some assets and Straight Line basis for others. The effects relating to periods prior to April 01, 2014 is credit of ₹772 Lacs which has been shown as an "Exceptional Item" and deferred tax of ₹262 Lacs on this credit is included in tax expenses.

Note 22 EMPLOYEE BENEFITS EXPENSE

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
Salaries and wages	7,356.73	6,866.10
Contributions to provident and other funds (Refer Note 26)	634.88	463.86
Staff welfare expenses	465.39	476.58
	8,457.00	**7,806.54**

Notes forming part of the financial statements

Note 23 FINANCE COSTS

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
Interest expense on:		
(i) Income tax / service tax	26.93	31.67
(ii) Borrowings	0.11	1.46
(iii) Others	2.19	5.30
	29.23	38.43

Note 24 OTHER EXPENSES

INR in Lacs

Particulars	For the year ended 31-Mar-2015		For the year ended 31-Mar-2014	
Consumables		51.09		44.11
Outsourcing cost		1,172.67		1,078.76
Power and fuel		433.02		438.00
Rent including lease rentals (Refer Note 29.1)		556.31		666.90
Hire charges		26.20		25.47
Repairs and maintenance - Buildings		283.61		241.89
Repairs and maintenance - Plant and Machinery		245.01		144.19
Repairs and maintenance - Others		5.08		4.68
Insurance		30.89		29.64
Rates and taxes		28.62		29.92
Communication		238.98		239.01
Travelling and conveyance		535.17		491.51
Expenditure on corporate social responsibility		63.31		-
Legal and professional		166.09		214.24
Directors sitting fees		22.00		7.60
Commission to non-executive directors		58.00		63.52
Payments to auditors (Refer Note (i) below)		42.35		42.82
Bad trade receivables written off	9.97		113.27	
Less: Provision utilised for the above	-		91.24	
		9.97		22.03
Advances written off	52.44		39.93	
Less: Provision utilised for the above	3.87		39.93	
		48.57		-
Provision for doubtful trade and other receivables, loans and advances		62.63		74.41
Loss on fixed assets sold, scrapped & written off		18.42		7.01
Net loss on foreign currency transactions and translation		-		319.32
Miscellaneous expenses		175.33		366.01
		4,273.32		4,551.04

Note (i) Payments to the auditors comprises (net of service tax input credit, where applicable):

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
To Statutory auditors		
(i) For Statutory Audit	20.00	20.00
(ii) For taxation matters	3.00	3.00
(iii) For other services	18.00	18.00
(iv) Reimbursement of expenses	1.35	1.82
	42.35	42.82

Note: Audit fees disclosed above does not include ₹28.00 lacs for QIP issue - grouped under share issue expenses (Refer note - 4)

Notes forming part of the financial statements

Note 25 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

INR in Lacs

Note	Particulars	As at 31-Mar-2015	As at 31-Mar-2014
25.1	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
	Claims against the Company not acknowledged as debts		
	(a) Income tax	599.55	853.58
	(b) Service tax	564.98	675.56
	(c) Employee state insurance(ESI) and Provident fund (PF) vendor payments)	6.59	6.56
	(d) Other claims	196.40	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.		

INR in Lacs

	Commitments	As at 31-Mar-2015	As at 31-Mar-2014
(ii)	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	22.34	57.52
		22.34	57.52

25.2 **Disclosure required under section 22 of the Micro, Small & Medium Enterprises Development Act, 2006:**

The information required to be disclosed under the Micro, Small and Medium enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of principal amount and / or interest and accordingly, no additional disclosures are required. No reimbursements are expected.

25.3 **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	72	Sell	4,675.56
	(44)		(2879.48)
GBP	13	Sell	1,309.84
	(11)		(1161.15)

Note: Figures in brackets relate to previous year.

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-2015		As at 31-Mar-2014	
Receivable in Foreign currency	Receivable Amt in INR Lacs	Receivable in Foreign currency	Receivable Amt in INR Lacs
AUD 74,073	35.21	AUD 24,131	13.34
CAD 0	-	CAD 2,030	1.10
EUR 1,18,398	79.55	EUR 1,92,955	159.54
GBP 0	-	GBP 1,14,800	114.53
ZAR 6,341	0.32	ZAR 0	-
SGD 0	-	SGD 10,051	4.78

As at 31-Mar-2015		As at 31-Mar-2014	
Payable in Foreign currency	Payable Amt in INR Lacs	Payable in Foreign currency	Payable Amt in INR Lacs
EUR 7,882	5.30	EUR 18,156	15.01
GBP 86,531	80.02	GBP 2,67,052	266.42
USD 1,54,508	96.57	USD 5,85,727	350.94

Notes forming part of the financial statements

25.4 Value of imports calculated on CIF basis:

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
Capital goods	-	34.48

25.5 Expenditure in foreign currency:

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
Outsourcing cost	605.79	434.28
Salaries,wages and bonus	222.91	303.25
Rates and taxes	0.24	-
Rent	29.27	38.35
Legal and professional charges	33.52	73.09
Repairs and maintainence	17.32	13.80
Travel	106.86	48.41
Communication	88.21	118.35
Others	96.03	204.75
	1,200.15	1,234.28

25.6 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

25.7 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

25.8 Change in Accounting Policy

a. During the year, the Company changed its accounting policy of providing depreciation on fixed assets effective April 01, 2014. Depreciation is now provided on Straight Line basis for all assets which was hitherto providing on Written Down Value basis for some assets and Straight Line basis for others.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹93.65 lacs consequent to the above change in the method of depreciation.

b. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets (determined after considering the change in the method of depreciation from WDV to SLM), net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹168.91 lacs (net of deferred tax of ₹85.83 lacs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

Note 26 EMPLOYEE BENEFIT PLANS

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 367.44 Lacs (Previous year INR 329.19 Lacs.) for Provident Fund contributions , INR 6.30 Lacs (Previous year INR 6.30 Lacs.) for Superannuation Fund Contributions and INR 70.40 Lacs (Previous year 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.

Notes forming part of the financial statements

b. Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

i. Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Components of employer expense		
Current service cost	41.01	45.28
Interest cost	34.24	30.62
Expected return on plan assets	(30.06)	(30.99)
Actuarial losses/(gains)	89.95	(19.86)
Total expense recognised in the Statement of Profit and Loss	135.14	25.05
Actual contribution and benefit payments for the year		
Actual benefit payments	(71.69)	(68.89)
Actual contributions	71.27	28.66
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(463.34)	(375.53)
Fair value of plan assets	376.51	345.55
Funded status [Surplus / (Deficit)]	(86.83)	(29.98)
Net asset / (liability) recognised in the Balance Sheet	(86.83)	(29.98)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	368.52	382.78
Current service cost	41.01	45.28
Interest cost	34.24	30.62
Actuarial (gains) / losses	91.26	(14.25)
Benefits paid	(71.69)	(68.89)
Present value of DBO at the end of the year	463.34	375.54
Change in fair value of assets during the year		
Plan assets at beginning of the year	345.56	356.20
Expected return on plan assets	30.06	30.99
Actual company contributions	71.27	28.66
Actuarial gain / (loss)	1.31	(1.41)
Benefits paid	(71.69)	(68.89)
Plan assets at the end of the year	376.51	345.55
Actual return on plan assets	31.37	29.58
Composition of the plan assets is as follows:		
Central Government Securities	22.94%	22.94%
State Government Securities	18.00%	18.00%
Govt. Guaranteed Securities	1.37%	1.37%
Debentures and Bonds	37.52%	37.52%
Equity Shares	4.69%	4.69%
Fixed Deposits	14.99%	14.99%
Money Market Instruments	0.49%	0.49%
Actuarial assumptions		
Discount rate	7.98%	9.29%
Expected return on plan assets	7.98%	8.70%
Salary escalation	6.00%	6.00%
Attrition	Employee Grade wise trend	
Estimated amount of contribution in the next year	₹137.66 Lacs	₹22.97 Lacs

Notes forming part of the financial statements

Experience adjustments	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Dec-2010
Present value of DBO	463.34	375.53	382.77	361.12	413.81
Fair value of plan assets	376.51	345.55	356.20	433.45	388.60
Funded status [Surplus / (Deficit)]	(86.83)	(29.98)	(26.57)	72.33	(25.21)
Experience gain / (loss) adjustments on plan liabilities	(46.14)	35.42	43.29	(6.84)	Refer Note (iii)
Experience gain / (loss) adjustments on plan assets	1.31	(1.41)	(2.33)	5.09	

ii. Long term compensated absences as at 31-March-2015 is ₹ Nil (Previous year ₹ Nil)

Compensated absences are actuarially valued as at the end of the Year . The acturial assumptions are as under:

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Actuarial assumptions		
Discount rate	7.98%	9.29%
Expected return on plan assets	7.98%	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 year 2010 as required by Accounting Standard (AS)-15 "Employee Benefits" are not available in valuation report.

Note 27 **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:

INR in Lacs

Revenue by location of geographical customer	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
India	20.62	22.96
Europe	9,407.90	8,850.28
USA	10,479.15	9,447.74
Rest of the World	409.70	508.23
Total	20,317.37	18,829.21

INR in Lacs

Carrying amount of Segment Assets by geographical location	As at 31-Mar-2015	As at 31-Mar-2014
India	22,623.94	8,319.49
Europe	1,591.46	1,861.34
USA	3,448.58	1,423.70
Rest of the World	86.25	99.71
Total	27,750.23	11,704.24

Notes forming part of the financial statements

INR in Lacs

Cost incurred for purchase of Tangible Assets and Intangible Assets by geographical location	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
India	278.12	276.27
USA	2.33	2.66
Total	280.45	278.93

Note 28 **RELATED PARTY TRANSACTIONS**

In the normal course of business, the Company enters into transactions at arm's length with affiliated companies, its ultimate holding company and key management personnel. The names of related parties of the Company, as required to be disclosed under Accounting Standard 18 "Related Party Disclosures" is as follows:

a. **Details of related parties:**

Description of relationship	Names of related parties
(i) Holding Company	ADI BPO Services Limited
(ii) Subsidiary Company	MPS North America LLC
(iii) Key Management Personnel (KMP)	Mr. Nishith Arora, Chief Executive Officer
	Mr. Rahul Arora, Director
	Mrs. Yamini Tandon, Director (w.e.f 11-Aug-2014)
(iv) Relatives of KMP	Mrs. Yamini Tandon, Vice President-Service Delivery (w.e.f 17-Feb-2014 till 10-Aug-2014)

b. **Details of related party transactions during year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:**

INR in Lacs

Particulars	Holding Company	Subsidiary	KMP	Relatives of KMP	Total
Purchase of fixed assets	8.45	-	-	-	8.45
	(40.41)	(-)	(-)	(-)	(40.41)
Rendering of services	-	494.53	-	-	494.53
	(-)	(-)	(-)	(-)	(-)
Rentals Paid	285.49	-	-	-	285.49
	(275.82)	(-)	(-)	(-)	(275.82)
Reimburesement of Expenses	-	-	-	-	-
	(6.08)	(-)	(-)	(-)	(6.08)
Recovery of Expenses	-	-	-	-	-
	(-)	(11.62)	(-)	(-)	(11.62)
Equity Contribution	-	737.52	-	-	737.52
	(-)	(1,047.24)	(-)	(-)	(1,047.24)
Dividend Paid	2,775.74	-	-	-	2,775.74
	(2,144.89)	(-)	(-)	(-)	(2,144.89)
Remuneration to Key Management Personnel					
Nishith Arora	-	-	159.89	-	159.89
	(-)	(-)	(157.79)	(-)	(157.79)
Rahul Arora	-	-	48.56	-	48.56
	(-)	(-)	(48.98)	(10.79)	(59.77)
Yamini Tandon	-	-	18.49	10.56	29.05
	(-)	(-)	(-)	(3.44)	(3.44)

Notes forming part of the financial statements

INR in Lacs

Particulars	Holding Company	Subsidiary	KMP	Relatives of KMP	Total
Balances outstanding as at 31-Mar-2015					
Security deposit placed	100.00	-	-	-	100.00
	(100.00)	(-)	(-)	(-)	(100.00)
Payable on account of reimbursement of expenses	-	-	-	-	-
	(6.08)	(-)	(-)	(-)	(6.08)
Trade receivable	-	164.44	-	-	164.44
	(-)	(-)	(-)	(-)	(-)
Trade payables	-	2.74	-	-	2.74
	(-)	(-)	(-)	(-)	(-)

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.

(i) ₹48.56 Lacs paid as remuneration during the financial year 2014-15 to Mr. Rahul Arora, Whole Time Director. The Company had earlier filed an application on November 8, 2013 before the Central Government (Ministry of Corporate Affairs) , 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 of the Company. Pursuant to the provisions of Section 196 and 197 read with Clause (e), Part I, Schedule V of the Companies Act 2013, the Company, in continuation, has applied afresh vide its application in Form MR 2 filed on March 11, 2015, and the application is currently pending.

(ii) ₹18.49 Lacs paid to Ms. Yamini Tandon, appointed as Whole Time Director of the Company for a period of 5 years with effect from August 11, 2014. The Company, pursuant to the provisions of Section 196 and 197 read with Clause (e), Part I, Schedule V of the Companies Act 2013, has applied to Central Government (Ministry of Corporate Affairs) vide its application in Form MR 2 filed on November 6, 2014 since Ms. Yamini Tandon was not a resident in India for a continuous period of 12 months immediately preceding the date of her appointment as a Whole Time Director and the application is currently pending.

Note 29.1 DETAILS OF LEASING ARRANGEMENTS

INR in Lacs

Note	Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
	As Lessee		
	The Company has entered into cancellable and non-cancellable operating leases for office premises. Lease rentals recognised in respect of such operating leases in the Statement of Profit and Loss is:	556.31	666.90
	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	101.25	177.30
	later than one year and not later than five years	-	101.25
	later than five years	-	-
		101.25	**278.55**

Note 29.2 EARNINGS PER EQUITY SHARE

INR in Lacs

Note	Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
	Basic		
	Net profit for the year attributable to the equity shareholders (₹ in Lacs)	5,870.12	4,344.44
	Weighted average number of equity shares	1,68,86,573	1,68,22,668
	Par value per share (₹)	10.00	10.00
	Earnings per share - Basic and Diluted (₹)	34.76	25.82

Notes forming part of the financial statements

Note 29.3 DEFERRED TAX (LIABILITY) / ASSET

INR in Lacs

Note	Particulars	As at 31-Mar-2015	As at 31-Mar-2014
	Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets:	(153.42)	(22.95)
		(153.42)	**(22.95)**
	Tax effect of items constituting deferred tax asset		
	Provision for compensated absences, gratuity and other employee benefits	36.53	40.74
	Provision for doubtful trade receivables / advances	57.09	31.42
	Others	2.57	7.09
		96.19	**79.25**
	Net Deferred Tax Asset / (Liability)	**(57.23)**	**56.30**

Note 30 DETAILS OF PROVISIONS

The Company has made provision for pending litigation matters based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

INR in Lacs

Particulars	As at 01-Apr- 14	Additions	Utilisation	As at 31-Mar-15
Provision for Service Tax matters	62.57	4.82	-	67.39
	(57.75)	(4.82)	(0.00)	(62.57)
	62.57	4.82	-	67.39
	(57.75)	(4.82)	(0.00)	(62.57)

Note: Figures in brackets relate to the previous year.

Of the above, the following amounts are expected to be incurred within a year:

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Provision for Interest on Service Tax matters	67.39	62.57

Note 31 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.

Note 32 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
Chief Executive Officer & Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Hitesh Jain
Company Secretary

Place : Gurgaon
Dated: 25th May 2015

Consolidated financial statements

Independent Auditor's Report

To the members 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 MPS North America LLC (the Company and its subsidiary constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2015, 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 Board of Directors is responsible for the preparation of these 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 misstatement, whether due to fraud or error.

Auditor's 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 specified under Section 143 (10) of the Companies Act, 2013. 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 presentation of the consolidated financial statements that give a true and fair view 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 Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2015;

(b) in the case of Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date;

(c) in the case of 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. 015125N)

Vijay Agarwal
Partner
(Membership No. 094468)

GURGAON, May 25, 2015

Consolidated Balance Sheet as at 31-March-2015

INR in Lacs

Particulars	Note No.	As at 31-Mar-2015	As at 31-Mar-2014
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share capital	3	1,861.69	1,682.27
(b) Reserves and surplus	4	23,748.96	7,490.67
		25,610.65	9,172.94
2. Non-Current Liabilities			
(a) Long-term borrowings	5	-	1.80
(b) Deferred tax liabilities (net)	29.3	75.58	-
(c) Other long-term liabilities	6	-	7.42
		75.58	9.22
3. Current liabilities			
(a) Trade payables	7	1,112.48	1,515.32
(b) Other current liabilities	8	958.13	911.64
(c) Short-term provisions	9	420.09	145.13
		2,490.70	2,572.09
TOTAL		28,176.93	11,754.25
II ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10.A	2,150.54	1,761.57
(ii) Intangible assets	10.B	1,112.69	627.26
		3,263.23	2,388.83
(b) Deferred tax assets (net)	29.3	-	125.44
(c) Long-term loans and advances	11	2,174.78	2,081.92
(d) Other non-current assets	12	17.68	14.35
		5,455.69	4,610.54
2. Current assets			
(a) Current investments	13	15,903.66	1,754.07
(b) Trade receivables	14	3,932.54	3,215.38
(c) Cash and cash equivalents	15	1,646.10	1,161.49
(d) Short-term loans and advances	16	362.57	227.18
(e) Other current assets	17	876.37	785.59
		22,721.24	7,143.71
TOTAL		28,176.93	11,754.25
See accompanying notes forming part of the consolidated financial statements	1-32		

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

For and on behalf of the Board of Directors

Vijay Agarwal
Partner

Nishith Arora
Chief Executive Officer & Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Hitesh Jain
Company Secretary

Place : Gurgaon
Dated: 25th May, 2015

Place : Gurgaon
Dated: 25th May, 2015

Consolidated Statement of Profit and Loss for the year ended 31-March-2015

INR in Lacs

Particulars	Note No.	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
I Revenue from operations (net)	18	22,387.16	19,728.49
II Other income	19	1,075.38	666.60
III Total Revenue (I+II)		23,462.54	20,395.09
IV Expenses			
(a) Employee benefits expense	21	9,406.82	8,468.60
(b) Finance costs	22	29.23	38.43
(c) Depreciation and amortisation expense	10	545.20	528.78
(d) Other expenses	23	4,943.33	4,963.88
Total Expenses		14,924.58	13,999.69
V Profit before exceptional items and tax (III-IV)		8,537.96	6,395.40
VI Exceptional items	20	772.05	-
VII Profit before tax (V+VI)		9,310.01	6,395.40
VIII Tax expense:			
(a) Current tax		2,878.02	2,240.45
(b) Deferred tax		288.12	(59.45)
Net tax expense		3,166.14	2,181.00
IX Profit for the year (VII-VIII)		6,143.87	4,214.40
X Earnings per equity share (of ₹10 each)			
Basic and Diluted	29.2	36.38	25.05
See accompanying notes forming part of the consolidated financial statements	1-32		

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For Deloitte Haskins & Sells
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Hitesh Jain
Company Secretary

Place : Gurgaon
Dated: 25th May, 2015

Place : Gurgaon
Dated: 25th May, 2015

Consolidated Cash Flow Statement for the year ended 31-March-2015

INR in Lacs

Particulars	For the year ended 31-Mar-2015		For the year ended 31-Mar-2014	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		9,310.01		6,395.40
Adjustments for:				
Depreciation/Amortisation	545.20		528.78	
Interest income	(2.05)		(2.52)	
Income from Mutual Funds	(138.67)		(118.48)	
Interest expenses	29.10		38.43	
Loss/(profit) on sale/disposal / write-off of fixed assets (net)	18.42		(8.96)	
Provision for doubtful trade receivables no longer required written back	(45.56)		(30.76)	
Liabilities/Provisions no longer required written back	(158.63)		(239.07)	
Provision for doubtful trade receivables / loans and advances	62.63		111.25	
Bad debts written off	60.90		113.27	
Loans and Advances written off	52.76		39.93	
Unrealised exchange difference (net)	(49.49)		7.24	
Depreciation impact due to change in method	(772.05)		-	
Unrealised marked to market gain on forward contracts	(111.02)		-	
Other non-cash adjustment	(1.24)		-	
		(509.70)		439.11
Operating profit before working capital changes		8,800.31		6,834.51
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(769.07)		(11.04)	
Short-term loans and advances	17.68		184.06	
Other current assets	(90.66)		222.42	
Long-term loans and advances	(31.27)		(455.05)	
Other Non Current Assets	(3.33)		2.99	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(439.21)		(601.68)	
Other current liabilities	172.77		(492.60)	
Other long-term liabilities	(7.42)		(1.68)	
Short term provisions	(2.04)		0.49	
		(1,152.55)		(1,152.09)
Cash generated from operations		7,647.76		5,682.42
Net income tax (paid) / refunds		(2,611.93)		(1,914.49)
Net cash flow from operating activities (A)		5,035.83		3,767.93
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances	(281.59)		(249.43)	
Proceeds from disposal of fixed assets	10.89		28.16	
Acquisition of business	(665.62)		(416.63)	
Purchase of Investments - Others	(14,149.59)		19.05	
Interest received	1.93		2.93	
Dividends received	138.67		118.48	
Net cash used in investing activities (B)		(14,945.31)		(497.44)

Consolidated Cash Flow Statement for the year ended 31-March-2015

INR in Lacs

Particulars	For the year ended 31-Mar-2015		For the year ended 31-Mar-2014	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of equity shares (Net off share issue expenses)	14,779.75		-	
Repayment of long-term borrowings	(7.32)		(15.43)	
Finance cost	(29.10)		(10.74)	
Dividend paid	(3,700.99)		(2,859.85)	
Tax on dividend	(679.44)		(486.03)	
Net cash flow from / (used in) financing activities (C)		10,362.90		(3,372.05)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		453.42		(101.56)
Impact on Cash Flow on account of Foreign Currency Translation		69.08		40.97
Opening balance of cash	1,161.33		1,109.22	
Less : forex loss reversal of Previous Year	(115.62)		(2.92)	
Adjusted opening balance	1,045.71		1,106.30	
Closing Balance of Cash	1,646.10		1,161.33	
Less :-forex loss of Current Year	(77.89)		(115.62)	
Adjusted closing balance	1,568.21		1,045.71	
		522.50		(60.59)
Reconciliation of cash and cash equivalents with the Balance Sheet:				
Cash and bank balances as per Balance Sheet (Refer Note 15)	1,646.10		1,161.49	
Less: Bank balances not considered as Cash and cash equivalents				
In earmarked accounts				
-Unclaimed dividends accounts	-		0.16	
Cash and cash equivalents at the end of the year*		1,646.10		1,161.33
*Comprises:				
(i) In current accounts	833.15		561.12	
(ii) In EEFC accounts	662.95		600.21	
(iii) In demand deposit accounts	150.00		-	
		1,646.10		1,161.33
See accompanying notes forming part of the consolidated financial statements 1-32				

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

Vijay Agarwal
Partner

Place : Gurgaon
Dated: 25th May, 2015

For and on behalf of the Board of Directors

Nishith Arora
Chief Executive Officer & Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Hitesh Jain
Company Secretary

Place : Gurgaon
Dated: 25th May, 2015

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.

The Company has a wholly owned subsidiary namely MPS North America LLC (MPS NA LLC) as a Limited Liability Company under the laws of the State of Florida in the United States of America. During the year, MPS NA LLC acquired two entities namely Electronic Publishing services Inc. and TSI Evolve Inc., US based companies on October 1, 2014 and March 29, 2015 respectively in the same domain. (Refer Note 24).

Note 2 SIGNIFICANT ACCOUNTING POLICIES

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

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 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 (the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 25.8.

a) 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.

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.

2.3: Cash and Cash Equivalents

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.

2.4: 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.

2.5: Depreciation and Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Fixed assets costing ₹5,000 or less are fully depreciated in the year of capitalization.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act.

Notes Forming Part of the Consolidated Financial Statements

Leasehold land is amortized over the duration of the lease.

Intangible assets (Computer Software) are amortized between 2 to 5 years based on the economic benefits that are expected to accrue to the Company over such period.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

During the year, the MPS Limited has changed its accounting policy of providing depreciation on fixed assets effective April 01, 2014. Depreciation is now provided on Straight Line basis for all assets as against the policy of providing on Written Down Value basis for some assets and Straight Line basis for others.

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

The estimated useful life 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.

2.6: Revenue Recognition:

Revenues is recognized when services are rendered and where no significant uncertainty exists regarding the collection of amount of consideration.

Revenues from maintenance contracts are recognized pro-rata over the period of the contract.

Costs and earnings in excess of billings are classified as unbilled revenue which is certain for realization while billings in excess of costs and earnings are classified as deferred revenue.

2.7: Other Income:

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

Rental income from operating leases is recognized on time proportionate basis over the period of lease.

2.8: 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.

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.

2.9: 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.

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.

Notes Forming Part of the Consolidated Financial Statements

(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 2.17 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

2.10: 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.

2.11: Employee Benefits:

Employee benefits include contribution to Provident fund, Superannuation fund, Gratuity fund, 401K, 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 employee benefits as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.12: 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.

2.13: 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.

Notes Forming Part of the Consolidated Financial Statements

2.14: 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.

2.15: 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.

2.16: 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.

2.17: 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 derivative contracts are marked-to-market and losses are recognized in the Statement of Profit and Loss and Gains arising on the same are recognized to the extent of the underlying assets hedged as on reporting date.

2.18: Share Issue Expenses:

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilization in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account are expensed in the Statement of Profit and Loss.

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.

Notes Forming Part of the Consolidated Financial Statements

Note 3 SHARE CAPITAL

Particulars	As at 31-Mar-2015 Number of shares	As at 31-Mar-2015 Amount in INR Lacs	As at 31-Mar-2014 Number of shares	As at 31-Mar-2014 Amount in INR Lacs
(a) Authorised share capital				
Equity shares of ₹10 /- each with voting rights	2,00,00,000	2,000.00	2,00,00,000	2,000.00
(b) Issued, Subscribed and fully paid up share capital				
Equity shares of ₹10 /- each with voting rights	1,86,16,926	1,861.69	1,68,22,668	1,682.27
Total		**1,861.69**		**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-2015 Number of shares	As at 31-Mar-2015 Amount in INR Lacs	As at 31-Mar-2014 Number of shares	As at 31-Mar-2014 Amount in INR Lacs
Equity shares (with voting rights)				
At the beginning of the year	1,68,22,668	1,682.27	1,68,22,668	1,682.27
Add: Fresh issue during the year *	17,94,258	179.42	-	-
At the end of the year	1,86,16,926	1,861.69	1,68,22,668	1,682.27

* Note: On 19-Mar-2015 the Company has allotted 17,94,258 equity shares of the face value of ₹10 each at an issue price of ₹836 (including security premium of ₹826) each aggregating to ₹149.99 crores to the Qualified Institutional Investors through Qualified Institutional Placement (QIP) pursuant to the provisions of Section 42 of the Companies Act 2013 and the Rules made thereunder and Securities and Exchange Board Of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The net proceeds of the Issue (net of issue expenses) are to augment funds for growth opportunities such as acquisitions and strategic initiatives and general corporate purposes and any other purposes as may be permissible under applicable law. These funds have temporarily been invested in high quality interest/ dividend bearing liquid instruments, including money market mutual funds.

(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-2015 Number of shares	As at 31-Mar-2014 Number of shares
ADI BPO Services Limited, the holding company	1,26,16,996	1,26,16,996

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

Class of share / Name of shareholder	As at 31-Mar-2015 Number of shares held	As at 31-Mar-2015 % holding in that class of shares	As at 31-Mar-2014 Number of shares held	As at 31-Mar-2014 % holding in that class of shares
Equity shares				
ADI BPO Services Limited	1,26,16,996	67.77%	1,26,16,996	75.00%

Notes Forming Part of the Consolidated Financial Statements

Note 4 RESERVES AND SURPLUS

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
(a) Securities premium account		
Opening balance	-	-
Add : Premium on shares issued during the year	14,820.57	-
Less : Utilised during the year for:		
Writing off shares issue expenses	220.24	-
Closing balance	14,600.33	-
(b) Foreign currency translation reserve		
Opening balance	39.77	-
Movement during the year	69.08	39.77
Closing balance	108.85	39.77
(c) General reserve		
Opening balance	862.05	427.61
Add : Transferred from surplus in Statement of Profit and Loss	587.01	434.44
Closing balance	1,449.06	862.05
(d) Surplus in Statement of Profit and Loss		
Opening balance	6,588.85	6,154.77
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax of ₹85.83 lacs) (Refer Note 25.8.b)	174.56	-
Add : Profit for the year	6,143.87	4,214.40
Less : Interim dividend	3,700.99	2,859.85
Tax on dividends	679.44	486.03
Transferred to general reserve	587.01	434.44
Closing Balance	7,590.72	6,588.85
	23,748.96	**7,490.67**

Note 5 LONG-TERM BORROWINGS

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
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 8) and security provided. *INR in Lacs*

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Long-term secured loans from bank	-	7.32
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 8)	-	5.52
	-	**1.80**

Notes Forming Part of the Consolidated Financial Statements

Note 6 OTHER LONG-TERM LIABILITIES

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Rent-equalisation reserve	-	7.42
	-	**7.42**

Note 7 TRADE PAYABLES

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Trade payables - Other than acceptances (Refer Note 25.2)	1,112.48	1,515.32
	1,112.48	**1,515.32**

Note 8 OTHER CURRENT LIABILITIES

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
(a) Current maturities of secured loan (Refer Note 5)	-	5.52
(b) Income received in advance (Unearned revenue)	132.95	92.54
(c) Unclaimed dividends*	-	0.16
(d) Rental deposits	-	100.33
(e) Book overdraft	152.15	46.71
(f) Interest accrued but not due	36.71	36.77
(g) Other payables:		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, VAT, Service Tax, etc.)	110.02	138.36
(ii) Payables on purchase of fixed assets	4.14	32.67
(iii) Advances from customers	25.05	25.12
(iv) Others :		
Compensated absences	12.69	-
Gratuity	90.81	29.97
Rent equalisation reserve	7.42	13.45
Others	386.19	390.04
	958.13	**911.64**

* There is no amount falling due as at the balance sheet date to be transfered 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 20.03 Lacs (PY - INR 21.70 Lacs).

Note 9 SHORT-TERM PROVISIONS

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
(a) Provision for tax (net of advance tax)	352.70	82.07
(b) Provision for Compensated absences	-	0.49
(c) Provision for interest on service tax	67.39	62.57
	420.09	**145.13**

Notes Forming Part of the Consolidated Financial Statements

Note 10 FIXED ASSETS

INR in Lacs

A. Tangible assets (Owned)	Gross block					Accumulated Depreciation							Net Block	
	Balance as at 01-Apr-2014	Additions / Adjustments	Disposals / Adjustments	Adjustment for Fx	Balance as at 31-Mar-2015	Balance as at 01-Apr-2014	For the year	Disposals / Adjustments	Adjustment for Fx	Transition adjustment recorded as exceptional income	Transition adjustment recorded against surplus balance in statement of profit and loss	Balance as at 31-Mar-2015	As at 31-Mar-2015	As at 31-Mar-2014
(a) Freehold 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	769.80	24.01	-	-	423.37	-	370.44	1,059.97	660.61
	(1,430.41)	(-)	(-)	(-)	(1,430.41)	(735.03)	(34.77)	(-)	(-)	(-)	(-)	(769.80)	(660.61)	(695.38)
(c) Plant & Machinery	3,407.72	299.90	130.58	9.30	3,586.34	2,827.32	334.35	126.37	8.13	281.91	236.93	2,998.45	587.89	580.40
	(3,516.43)	(224.05)	(332.76)	(-)	(3,407.72)	(2,886.59)	(248.20)	(307.47)	(-)	(-)	(-)	(2,827.32)	(580.40)	(629.84)
(d) Furniture and Fixtures	417.16	14.33	21.82	0.19	409.86	376.82	36.61	18.65	0.28	41.26	23.16	376.96	32.90	40.34
	(446.34)	(22.58)	(51.76)	(-)	(417.16)	(399.48)	(26.75)	(49.41)	(-)	(-)	(-)	(376.82)	(40.34)	(46.86)
(e) Motor Car	109.92	0.03	23.03	-	86.92	56.66	16.65	14.29	-	25.51	0.30	33.81	53.11	53.26
	(145.42)	(-)	(35.50)	(-)	(109.92)	(61.20)	(19.78)	(24.32)	(-)	(-)	(-)	(56.66)	(53.26)	(84.22)
(f) Leasehold improvements	36.78	4.40	-	-	41.18	14.87	14.69	-	-	-	-	29.56	11.62	21.91
	(97.08)	(0.88)	(61.18)	(-)	(36.78)	(57.66)	(13.36)	(56.15)	(-)	(-)	(-)	(14.87)	(21.91)	(39.42)
Total (A)	**5,807.04**	**318.66**	**175.43**	**9.49**	**5,959.76**	**4,045.47**	**426.31**	**159.31**	**8.41**	**772.05**	**260.39**	**3,809.22**	**2,150.54**	**1,761.57**
Previous year	**(6,040.73)**	**(247.51)**	**(481.20)**	**(-)**	**(5,807.04)**	**(4,139.96)**	**(342.86)**	**(437.35)**	**(-)**	**(-)**	**(-)**	**(4,045.47)**	**(1,761.57)**	**(1,900.77)**

B. Intangible assets (Owned)	Gross block					Accumulated Depreciation							Net Block	
	Balance as at 01-Apr-2014	Additions / Adjustments	Disposals / Adjustments	Adjustment for Fx	Balance as at 31-Mar-2015	Balance as at 01-Apr-2014	For the year	Disposals / Adjustments	Adjustment for Fx	Transition adjustment recorded as exceptional income	Transition adjustment recorded against surplus balance in statement of profit and loss	Balance as at 31-Mar-2015	As at 31-Mar-2015	As at 31-Mar-2014
Acquired														
(a) Goodwill (Refer Note 24)	467.26	567.32	-	25.77	1,060.35	-	-	-	-	-	-	-	1,060.35	467.26
	(-)	(467.26)	(-)	(-)	(467.26)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(467.26)	(-)
(b) Others - Software	1,794.58	9.80	-	1.43	1,805.81	1,634.58	118.89	-	-	-	-	1,753.47	52.34	160.00
	(1,705.49)	(89.09)	(-)	(-)	(1,794.58)	(1,429.69)	(185.92)	(18.97)	(-)	(-)	(-)	(1,634.58)	(160.00)	(275.80)
Total (B)	**2,261.84**	**577.12**	**-**	**27.20**	**2,866.16**	**1,634.58**	**118.89**	**-**	**-**	**-**	**-**	**1,753.47**	**1,112.69**	**627.26**
Previous year	(1,705.49)	(556.35)	(-)	(-)	(2,261.84)	(1,429.69)	(185.92)	(18.97)	(-)	(-)	(-)	(1,634.58)	(627.26)	(275.80)
Total (A) + (B)	**8,068.88**	**895.78**	**175.43**	**36.69**	**8,825.92**	**5,680.05**	**545.20**	**159.31**	**8.41**	**772.05**	**260.39**	**5,562.69**	**3,263.23**	**2,388.83**
Previous year	**(7,746.22)**	**(803.86)**	**(481.20)**	**(-)**	**(8,068.88)**	**(5,569.65)**	**(528.78)**	**(418.38)**	**(-)**	**(-)**	**(-)**	**(5,680.05)**	**(2,388.83)**	**(2,176.57)**

* Freehold 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.

Notes Forming Part of the Consolidated Financial Statements

Note 11 LONG-TERM LOANS AND ADVANCES

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
(a) Security deposits		
Unsecured, considered good (Refer Note (i) below)	299.62	381.16
Doubtful	120.00	60.00
	419.62	441.16
Less: Provision for doubtful deposits	120.00	60.00
	299.62	381.16
(b) Prepaid expenses - Unsecured, considered good	2.50	9.81
(c) Advance income tax (net of provisions)	95.28	117.27
(d) Balances with government authorities - Unsecured, considered good		
(i) VAT refund receivable	-	6.52
(ii) Service tax credit receivable	1,777.38	1,567.16
(e) Others		
Doubtful	15.76	15.76
	15.76	15.76
Less: Provision for doubtful loans and advances	15.76	15.76
	-	-
	2,174.78	**2,081.92**

Note (i):

Includes INR 100 Lacs (As at 31-Mar-2014 INR 100 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises taken on rent.

Note 12 OTHER NON-CURRENT ASSETS

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Balances held as margin money or security against guarantees	17.68	14.35
	17.68	**14.35**

Notes Forming Part of the Consolidated Financial Statements

Note 13 CURRENT INVESTMENTS

Particulars	As at 31-Mar-2015		As at 31-Mar-2014	
	Units in '000	INR in Lacs	Units in '000	INR in Lacs
Investment in mutual funds (Unquoted fully paid up)				
TATA Money Market Fund -Direct Plan -Daily Dividend Reinvestment	20.10	201.35	-	-
Birla Sun Life Floating Rate Fund-STP-DDP-Direct	0.78	0.78	-	-
Birla Sun Life Cash Plus - Daily Dividend Direct Plan	-	-	463.56	464.45
Kotak Floater Short Term-DDP-Direct	40.00	404.67	-	-
Kotak Liquid Scheme Plan A - Direct Plan- Daily Dividend*	36.01	440.36	21.95	268.25
Birla Sun Life Savings Fund - Growth-Regular Plan	838.75	2,250.00	-	-
HDFC Liquid Fund - Growth	7,267.81	2,000.00	-	-
HDFC Short Term Opportunities Fund - Growth	13,866.85	2,106.50	-	-
DWS Ultra Short Term Fund - Direct Plan- Daily Dividend	-	-	1,497.32	150.00
ICICI Prudential Liquid -Regular Plan -Growth	968.92	2,000.00	-	-
Reliance Fixed Horizon Fund-XXIII Series 7 Growth Plan	-	-	2,000.00	200.00
Reliance Liquid Fund-Treasury Plan-Growth Plan Growth Option	58.86	2,000.00	-	-
Franklin India Low Duration Fund- Growth	14,693.49	2,250.00	-	-
Franklin India Ultra Short Bond Fund Super Institutional Plan- Growth	12,171.77	2,250.00	-	-
Reliance Liquid Fund - Treasury Plan - Daily Dividend	-	-	27.58	421.37
Axis Treasury Advantage Fund - Direct Plan - Daily Dividend	-	-	24.88	250.00
	49,963.34	**15,903.66**	**4,035.29**	**1,754.07**
Aggregate market value (NAV) of investments		**15,943.42**		**1,773.21**

*Mutual Funds Units have been pledged with Kotak Mahindra Bank as security towards hedging facilities availed by the Company.

Units 16355.7773 (NAV on 31-Mar-2015 ₹1222.81)

Note 14 TRADE RECEIVABLES (Unsecured)

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Trade receivable for a period exceeding six months		
Considered good	3.06	79.97
Doubtful	12.19	47.10
	15.25	127.07
Less: Provision for doubtful trade receivables	12.19	47.10
	3.06	79.97
Other trade receivables		
Considered good	3,929.48	3,135.41
Doubtful	2.66	13.31
	3,932.14	3,148.72
Less: Provision for doubtful trade receivables	2.66	13.31
	3,929.48	3,135.41
	3,932.54	**3,215.38**

Notes Forming Part of the Consolidated Financial Statements

Note 15 CASH AND CASH EQUIVALENTS

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Cash and cash equivalents		
Balances with banks		
(i) In current accounts	833.15	561.12
(ii) In EEFC accounts	662.95	600.21
(iii) In demand deposit accounts	150.00	-
(iv) Other bank balances	0.00	0.16
Total Cash and cash equivalents	1,646.10	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 :	1,646.10	1,161.33

Note 16 SHORT-TERM LOANS AND ADVANCES

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
(a) Security deposits		
Unsecured, considered good	0.45	1.56
Doubtful	1.56	1.46
	2.01	3.02
Less: Provision for doubtful deposits	1.56	1.46
	0.45	1.56
(b) Loans and advances to employees		
Unsecured, considered good	13.81	9.47
Doubtful	12.80	10.17
	26.61	19.64
Less: Provision for doubtful loans and advances	12.80	10.17
	13.81	9.47
(c) Prepaid expenses	203.98	184.88
(d) Balances with government authorities		
(i) VAT credit receivable	7.59	5.52
(e) Unrealised MTM gain receivable on forward covers	111.02	-
(f) Others		
Unsecured, considered good	25.72	25.75
	362.57	227.18

Note 17 OTHER CURRENT ASSETS

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
(a) Interest accrued on deposits	0.47	0.35
(b) Receivables on sale of fixed assets	-	1.11
(c) Unbilled revenue	875.90	782.79
(d) Others	-	1.34
	876.37	785.59

Notes Forming Part of the Consolidated Financial Statements

Note 18 REVENUE FROM OPERATIONS

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
Sale of services		
(i) Exports (Earning in foreign currency)	22,366.54	19,705.53
(ii) Domestic	20.62	22.96
	22,387.16	19,728.49

Note 19 OTHER INCOME

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
(a) Interest income from bank on deposits	2.05	2.52
(b) Dividend Income:		
From current investments (mutual funds)	138.67	118.48
(c) MTM and Net gain on foreign currency transactions and translation	632.51	-
(d) Other non-operating income (Refer note (i) below)	302.15	545.60
	1,075.38	666.60

Note (i) Other non-operating income comprises:

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
(a) Rental income from operating leases	125.87	145.33
(b) Liabilities & provisions no longer required written back	158.63	239.07
(c) Provision for trade receivables no longer required written back	8.72	30.76
(d) Bad Debts & advances recovered	0.33	0.58
(e) Profit on sale of fixed assets	-	16.39
(f) Miscellaneous income	8.60	113.47
	302.15	545.60

Note 20 EXCEPTIONAL ITEMS (INCOME)

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
Depreciation impact due to change in method	772.05	-
	772.05	-

During the year, the Company has changed its accounting policy of providing depreciation on fixed assets effective April 01, 2014. Depreciation is now provided on Straight Line basis for all assets which was hitherto provided on Written Down Value basis for some assets and Straight Line basis for others. The effects relating to periods prior to April 01, 2014 is credit of ₹772 Lacs which has been shown as an "Exceptional Item" and deferred tax of ₹262 Lacs on this credit is included in tax expenses.

Note 21 EMPLOYEE BENEFIT EXPENSES

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
Salaries and wages	8,305.38	7,527.34
Contributions to provident and other funds (Refer Note 26)	634.88	464.43
Staff welfare expenses	466.56	476.83
	9,406.82	8,468.60

Notes Forming Part of the Consolidated Financial Statements

Note 22 **FINANCE COSTS**

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
Interest expense on:		
(i) Income tax / service tax	26.93	31.67
(ii) Borrowings	0.11	1.46
(iii) Others	2.19	5.30
	29.23	**38.43**

Note 23 **OTHER EXPENSES**

INR in Lacs

Particulars	For the year ended 31-Mar-2015		For the year ended 31-Mar-2014	
Consumables		51.10		44.18
Outsourcing cost		1,643.35		1,346.59
Power and fuel		433.82		440.62
Rent including lease rentals (Refer Note 29.1)		619.11		707.73
Hire charges		27.16		25.75
Repairs and maintenance - Buildings		283.61		247.71
Repairs and maintenance - Plant and machinery		245.49		144.19
Repairs and maintenance - Others		8.22		4.68
Insurance		35.79		32.45
Rates and taxes		29.11		29.92
Communication		265.70		254.81
Travelling and conveyance		585.73		514.90
Expenditure on corporate social responsibility		63.31		-
Legal and professional		191.96		218.10
Directors sitting fees		22.00		7.60
Commission to non-executive directors		58.00		63.52
Payments to auditors (Refer Note (i) below)		42.35		42.82
Bad trade receivables written off	60.90		113.27	
Less: Provision utilised for the above	36.84		91.24	
		24.06		22.03
Advances written off	52.44		39.93	
Less: Provision utilised for the above	3.87		39.93	
		48.57		-
Provision for doubtful trade and other receivables, loans and advances		62.63		111.25
Loss on fixed assets sold, scrapped & written off		18.42		7.43
Net loss on foreign currency transactions and translation		-		319.32
Miscellaneous expenses		183.84		378.28
		4,943.33		**4,963.88**

Note (i) Payments to the auditors comprises (net of service tax input credit, where applicable):

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
To Statutory auditors		
(i) For Statutory Audit	20.00	20.00
(ii) For taxation matters	3.00	3.00
(iii) For other services	18.00	18.00
(iv) Reimbursement of expenses	1.35	1.82
	42.35	**42.82**

Note: Audit fees disclosed above does not include ₹28.00 lacs for QIP issue - grouped under share issue expenses (Refer note - 4)

Notes Forming Part of the Consolidated Financial Statements

Note 24 **BUSINESS PURCHASE**

The Subsidiary Company MPS North America LLC has acquired the following assets from Electronic Publishing Services and TSI Evlove, Inc. vide Asset Purchase Agreement effective October 1, 2014 and March 29, 2015 respectively. The amount paid by the Company in excess of the net assets acquired is recognised as goodwill on acquisition, as detailed below:

INR in Lacs

Particulars	For the year ended 31-Mar-15	For the year ended 31-Mar-14
Value of assets taken over:		
Plant & machinery	42.21	27.25
Furniture & fixtures	1.36	2.68
Software	-	25.50
Trade receivables	-	197.34
Work in process	54.73	-
TOTAL	98.30	252.77
Liabilities taken over:		
Trade Payables	-	303.40
TOTAL	-	303.40
Net value of assets taken over	98.30	(50.63)
Purchase cost	665.62	416.63
Goodwill on acquisition	567.32	467.26

Note 25 **ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**

INR in Lacs

Note	Particulars	As at 31-Mar-2015	As at 31-Mar-2014
25.1	**Contingent liabilities and commitments (to the extent not provided for)**		
(i)	Contingent liabilities		
	Claims against the Company not acknowledged as debts		
	(a) Income tax	599.55	853.58
	(b) Service tax	564.98	675.56
	(c) Employee state insurance(ESI) and Provident fund (PF) vendor payment)	6.59	6.56
	(d) Other claims	196.40	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.		

INR in Lacs

	Commitments	As at 31-Mar-2015	As at 31-Mar-2014
(ii)	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	22.34	57.52
		22.34	**57.52**

25.2 Disclosure required under section 22 of the Micro, Small & Medium Enterprises Development Act, 2006:

The information required to be disclosed under the Micro, Small and Medium enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of principal amount and / or interest and accordingly, no additional disclosures are required.

Notes Forming Part of the Consolidated Financial Statements

25.3 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	72	Sell	4,675.56
	(44)		(2879.48)
GBP	13	Sell	1,309.84
	(11)		(1161.15)

Note: Figures in brackets relate to previous year.

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-2015		As at 31-Mar-2014	
Receivable in Foreign currency	Receivable Amt in INR Lacs	Receivable in Foreign currency	Receivable Amt in INR Lacs
AUD 74,073	35.21	AUD 24,131	13.34
CAD 0	-	CAD 2,030	1.10
EUR 1,18,398	79.55	EUR 192,955	159.54
GBP 0	-	GBP 114,800	114.53
USD 1,327,990	829.99	USD 879,897	527.27
ZAR 6,341	0.32	ZAR 0	-
SGD 0	-	SGD 10,051	4.78

As at 31-Mar-2015		As at 31-Mar-2014	
Payable in Foreign currency	Payable Amt in INR Lacs	Payable in Foreign currency	Payable Amt in INR Lacs
EUR 7,882	5.30	USD 617,611	370.64
GBP 86,531	80.02	GBP 267,052	266.42
USD 2,57,766	161.11	EUR 18,156	15.01

25.4 Value of imports calculated on CIF basis:

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
Capital goods	-	34.48

25.5 Expenditure in foreign currency:

INR in Lacs

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
Outsourcing cost	1,076.45	702.11
Salaries,wages and bonus	1,172.72	965.31
Rates and taxes	0.74	-
Rent	92.08	79.18
Legal and professional charges	59.39	76.95
Repairs and maintainence	20.95	19.62
Travel	157.42	71.80
Communication	114.94	134.15
Others	111.08	260.06
	2,805.77	2,309.18

25.6 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

25.7 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Notes Forming Part of the Consolidated Financial Statements

25.8 Change in Accounting Policy

a. During the year, the Company changed its accounting policy of providing depreciation on fixed assets effective April 01, 2014. Depreciation is now provided on Straight Line basis for all assets which was hitherto providing on Written Down Value basis for some assets and Straight Line basis for others.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹100.80 lacs consequent to the above change in the method of depreciation.

b. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets (determined after considering the change in the method of depreciation from WDV to SLM), net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹174.56 lacs (net of deferred tax of ₹85.83 lacs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

Note 26 EMPLOYEE BENEFIT PLANS

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 367.53 Lacs (Previous year INR 329.19 Lacs.) for Provident fund contributions , INR 6.30 Lacs (Previous year INR 6.30 Lacs.) for Superannuation fund Contributions and INR 70.44 Lacs (Previous year 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.

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 21, 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

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Components of employer expense		
Current service cost	41.01	45.28
Interest cost	34.24	30.62
Expected return on plan assets	(30.06)	(30.99)
Actuarial losses/(gains)	89.95	(19.86)
Total expense recognised in the Statement of Profit and Loss	135.14	25.05
Actual contribution and benefit payments for the year		
Actual benefit payments	(71.69)	(68.89)
Actual contributions	71.27	28.66
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(463.34)	(375.53)
Fair value of plan assets	376.51	345.55
Funded status [Surplus / (Deficit)]	(86.83)	(29.98)
Net asset / (liability) recognised in the Balance Sheet	(86.83)	(29.98)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	368.52	382.77
Current service cost	41.01	45.28
Interest cost	34.24	30.62
Actuarial (gains) / losses	91.26	(14.25)
Benefits paid	(71.69)	(68.89)
Present value of DBO at the end of the year	463.34	375.53

Notes Forming Part of the Consolidated Financial Statements

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Change in fair value of assets during the year		
Plan assets at beginning of the year	345.56	356.20
Expected return on plan assets	30.06	30.99
Actual company contributions	71.27	28.66
Actuarial gain / (loss)	1.31	(1.41)
Benefits paid	(71.69)	(68.89)
Plan assets at the end of the year	376.51	345.55
Actual return on plan assets	31.37	29.58
Composition of the plan assets is as follows:		
Central Government Securities	22.94%	22.94%
State Government Securities	18.00%	18.00%
Govt. Guaranteed Securities	1.37%	1.37%
Debentures and Bonds	37.52%	37.52%
Equity Shares	4.69%	4.69%
Fixed Deposits	14.99%	14.99%
Money Market Instruments	0.49%	0.49%
Actuarial assumptions		
Discount rate	7.98%	9.29%
Expected return on plan assets	7.98%	8.70%
Salary escalation	6.00%	6.00%
Attrition	Employee Grade wise trend	
Estimated amount of contribution in the next year	₹137.66 Lacs	₹22.97 Lacs

Experience adjustments	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Dec-2010
Present value of DBO	463.34	375.53	382.77	361.12	413.81
Fair value of plan assets	376.51	345.55	356.20	433.45	388.60
Funded status [Surplus / (Deficit)]	(86.83)	(29.98)	(26.57)	72.33	(25.21)
Experience gain / (loss) adjustments on plan liabilities	(46.14)	35.42	43.29	(6.84)	Refer Note (c)
Experience gain / (loss) adjustments on plan assets	1.31	(1.41)	(2.33)	5.09	

ii. Long term compensated absences as at 31-March-2015 is ₹ Nil (Previous year ₹ Nil)

Compensated absences are actuarially valued as at the end of the Year. The acturial assumptions are as under:

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Actuarial assumptions		
Discount rate	7.98%	9.29%
Expected return on plan assets	7.98%	8.70%
Salary escalation	6.00%	6.00%

Notes :

(a) 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.

(b) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

(c) The details of experience adjustments arising on account of plan assets and liabilities for the year 2010 as required by Accounting Standard (AS)-15 "Employee Benefits" are not available in valuation report.

iii. Short-term compensated absences pertaining to MPS NA LLC amounts to NIL for FY 2014-15 (₹0.49 Lacs for FY 2013-14).

Notes Forming Part of the Consolidated Financial Statements

Note 27 SEGMENT INFORMATION

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".

The Group'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:

INR in Lacs

Revenue by location of geographical customer	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
India	20.62	22.96
Europe	9,407.91	8,850.28
USA	12,548.93	10,347.03
Rest of the world	409.70	508.22
Total	22,387.16	19,728.49

INR in Lacs

Carrying amount of Segment Assets by geographical location	As at 31-Mar-2015	As at 31-Mar-2014
India	22,623.94	7,341.41
Europe	1,591.46	1,861.34
USA	3,875.28	2,451.79
Rest of the world	86.25	99.71
Total	28,176.93	11,754.25

INR in Lacs

Cost incurred for purchase of Tangible Assets and Intangible Assets by geographical location	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
India	278.12	276.27
USA	617.66	527.59
Total	895.78	803.86

Note 28 RELATED PARTY TRANSACTIONS

In the normal course of business, the Company enters into transactions at arm's length with affiliated companies, its ultimate holding company and key management personnel. The names of related parties of the Company, as required to be disclosed under Accounting Standard 18 "Related Party Disclosures" is as follows:

a. Details of related parties:

Description of relationship	Names of related parties
(i) Holding Company	ADI BPO Services Limited
(ii) Subsidiary Company	MPS North America LLC
(iii) Key Management Personnel (KMP)	Mr. Nishith Arora, Chief Executive Officer
	Mr. Rahul Arora, Director
	Mrs. Yamini Tandon, Director (w.e.f 11-Aug-2014)
(iv) Relatives of KMP	Mrs. Yamini Tandon, Vice President-Service Delivery (w.e.f 17-Feb-2014 till 10-Aug-2014)

Notes Forming Part of the Consolidated Financial Statements

b. Details of related party transactions during year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:

INR in Lacs

Particulars	Holding Company	KMP	Relatives of KMP	Total
Purchase of fixed assets	8.45	-	-	8.45
	(40.41)	(-)	(-)	(40.41)
Rentals Paid	285.49	-	-	285.49
	(275.82)	(-)	(-)	(275.82)
Reimburesement of Expenses	-	-	-	-
	(6.08)	(-)	(-)	(6.08)
Dividend Paid	2,775.74	-	-	2,775.74
	(2,144.89)	(-)	(-)	(2,144.89)
Remuneration to Key Management Personnel				
Nishith Arora	-	159.89	-	159.89
	(-)	(157.79)	(-)	(157.79)
Rahul Arora	-	48.56	-	48.56
	(-)	(48.98)	(10.79)	(59.77)
Yamini Tandon	-	18.49	10.56	29.05
	(-)	(-)	(3.44)	(3.44)
Balances outstanding as at 31-Mar-2015				
Security deposit placed	100.00	-	-	100.00
	(100.00)	(-)	(-)	(100.00)
Payable on account of reimbursement of expenses	-	-	-	-
	(6.08)	(-)	(-)	(6.08)

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

(i) ₹48.56 Lacs paid as remuneration during the financial year 2014-15 to Mr. Rahul Arora, Whole Time Director. The company had earlier filed an application on November 8, 2013 before the Central Government (Ministry of Corporate Affairs) , 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 of the Company. Pursuant to the provisions of Sections 196 and 197 read with Clause (e), Part I, Schedule V of the Companies Act 2013, the Company, in continuation, has applied afresh vide its application in Form MR 2 filed on March 11, 2015, and the application is currently pending.

(ii) ₹18.49 Lacs paid to Ms. Yamini Tandon, appointed as Whole Time Director of the Company for a period of 5 years with effect from August 11, 2014. The Company, pursuant to the provisions of Sections 196 and 197 read with Clause (e), Part I, Schedule V of the Companies Act 2013, has applied to Central Government (Ministry of Corporate Affairs) vide its application in Form MR 2 filed on November 6, 2014 since Ms. Yamini Tandon was not a resident in India for a continuous period of 12 months immediately preceding the date of her appointment as a Whole Time Director and the application is currently pending.

Notes Forming Part of the Consolidated Financial Statements

Note 29.1 DETAILS OF LEASING ARRANGEMENTS

INR in Lacs

Note	Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
	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:	619.11	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	139.45	211.74
	later than one year and not later than five years	31.26	166.99
	later than five years	-	-
		170.71	**378.73**

Note 29.2 EARNINGS PER EQUITY SHARE

INR in Lacs

Note	Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
	Basic		
	Net profit for the year attributable to the equity shareholders (₹ in Lacs)	6,143.87	4,214.40
	Weighted average number of equity shares	1,68,86,573	1,68,22,668
	Par value per share (₹)	10.00	10.00
	Earnings per share - Basic and Diluted (₹)	36.38	25.05

Note 29.3 DEFERRED TAX (LIABILITY) / ASSET

INR in Lacs

Note	Particulars	As at 31-Mar-2015	As at 31-Mar-2014
	Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets:	(168.59)	(19.63)
		(168.59)	**(19.63)**
	Tax effect of items constituting deferred tax asset		
	Provision for compensated absences, gratuity and other employee benefits	36.52	40.74
	Provision for doubtful trade receivables / advances	57.09	45.28
	Others	(0.60)	59.05
		93.01	**145.07**
	Net Deferred Tax Asset / (Liability)	**(75.58)**	**125.44**

Notes Forming Part of the Consolidated Financial Statements

Note 30 DETAILS OF PROVISIONS

The Company has made provision for pending litigation matters based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

INR in Lacs

Particulars	As at 1-Apr-14	Additions	Utilisation	As at 31Mar-15
Provision for Service Tax matters	62.57	4.82	-	67.39
	(57.75)	(4.82)	(-)	(62.57)
Total	62.57	4.82	-	67.39
	(57.75)	(4.82)	(-)	(62.57)

Note: Figures in brackets relate to the previous year.

Of the above, the following amounts are expected to be incurred within a year:

INR in Lacs

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Provision for Interest on Service Tax matters	67.39	62.57

Note 31 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.

Note 32 PREVIOUS YEAR'S FIGURES

Previous year 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
Chief Executive Officer & Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Hitesh Jain
Company Secretary

Place : Gurgaon
Dated: 25th May 2015

Notes

Notes

MPS Limited

Registered Office: RR Towers IV, Super A, 16/17 Thiru-vi-ka Industrial Estate, Guindy, Chennai – 600 032
CIN: L22122TN1970PLC005795, Phone: 0120-4599754 Fax: 0120- 4021280
Email ID: investors@adi-mps.com, Website: www.adi-mps.com

ATTENDANCE SLIP

Name of the Member:			
Address:			
Email-Id:			
Folio No./DP ID:		Client ID:	

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 **45th Annual General Meeting** of the Company held on **Monday, July 20, 2015 at 2:30 p.m.** at The Raintree Hotels, 636 Anna Salai, Teynampet, Chennai – 600 035 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 fill in the details, sign and handover this slip at the entrance of the venue of the Annual General Meeting.

MPS Limited

Registered Office: RR Towers IV, Super A, 16/17 Thiru-vi-ka Industrial Estate, Guindy, Chennai – 600 032
CIN: L22122TN1970PLC005795, Phone: 0120-4599754 Fax: 0120- 4021280
Email ID: investors@adi-mps.com, Website: www.adi-mps.com

PROXY FORM

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

Name of the Member (s):			
Registered Address:			
Email-Id:			
Folio No./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: ...., or failing him/her;

2. Name: .... Address:...

   E-mail Id: ...., or failing him/her;

3. Name: .... Address:...

   E-mail Id: ...., or failing him/her;

And whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **45th Annual General Meeting** of the Company to be held on **Monday, July 20, 2015 at 2:30 p.m.** at The Raintree Hotels, 636 Anna Salai, Teynampet, Chennai – 600 035 and at any adjournment thereof in respect of such resolutions as are indicated below:

P.T.O.

Sr. No.	Resolutions	*Optional	
		For	Against
1.	Receive, consider and adopt the Audited Financial Statement (Standalone and Consolidated), Reports of the Board of Directors and Auditors thereon		
2.	Confirm two Interim Dividends as Final dividend		
3.	Re-appointment of Mr. Rahul Arora, who retires by rotation		
4.	Appointment of Statutory Auditors and fixing their remuneration		
5.	Appointment of Mr. Nishith Arora as a Director of the Company		
6.	Appointment of Mr. Nishith Arora as a Whole Time Director of the Company		
7.	Appointment of Ms. Yamini Tandon to the office or place of profit in the Company's wholly owned subsidiary in U.S.A.		
8.	Authorize the Board of Directors of the Company to borrow a sum or sums of money not exceeding ₹150 crores over and above the aggregate of the paid up share capital and free reserve of the Company pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013.		

Signed this.. day of.................. 2015

Affix Re. 1 Revenue Stamp

Signature of shareholder:..

Signature of Proxy holder(s): (1)................................... (2)................................... (3)...................................

Notes:

1. This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Statement under Section 102 of the Companies Act, 2013 and Notes, please refer to the Notice of the 45th Annual General Meeting.

* This is optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.

MPS Limited

REGISTERED OFFICE:

RR Towers IV, Super A, 16/17, TVK Industrial Estate,

Guindy, Chennai - 600 032, Tamil Nadu, India

CIN: L22122TN1970PLC005795

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