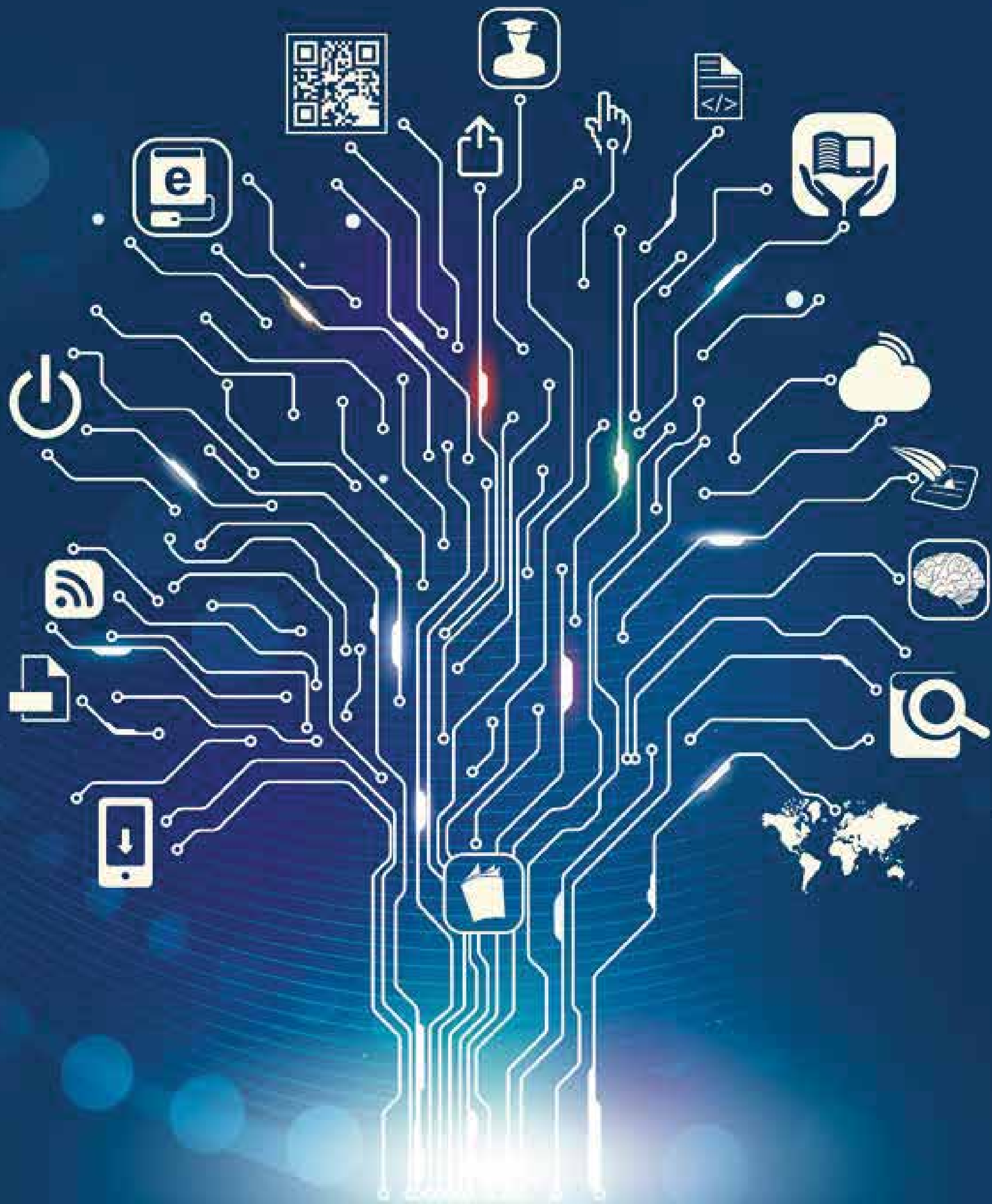


MPS LIMITED

ANOTHER YEAR OF STEADY GROWTH

46TH ANNUAL REPORT 2015-16

KEY INFORMATION

Executive Chairman & Whole Time Director
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

Non-Executive Director
Ms. Yamini Tandon

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
C-35, Sector-62, Noida-201 307, Uttar Pradesh

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

Other Offices
- HMG Ambassador, 137 Residency Road, Bengaluru – 560025, Karnataka
- 340 Udyog Vihar, Phase IV, Gurgaon, Haryana 122016
- 33, IT Park, Sahastradhara Road, Dehradun - 248001, Uttarakhand

USA
1717 NE 42nd Avenue, Suite 2101, Portland, Oregon 97213

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

Registrar and Share Transfer Agent
Cameo Corporate Services Limited
Subramanian Building, 1 Club House Road, Chennai – 600002

The global publishing industry is passing through its most interesting transformation.

An increasing number of people are reading online, buying online, and learning through visual media.

This break from a longstanding past is compelling global publishers to evolve from the conventional to the contemporary; in turn, this is warranting vendor partners to make sweeping changes in their mindsets and models.

In this dynamic environment, MPS Limited reinforced its position as one of the most trusted service providers to the global publishing industry.

In 2015-16, when some of the largest service providers encountered challenges, MPS Ltd. reported a 15 per cent growth in revenue and 16 per cent growth in PAT, its fifth successive year of profitable growth following ADI's acquisition of the company.

PROACTIVE.
PASSIONATE.
PROFITABLE.

MPS Limited is one of the most trusted vendor partners to the global publishing industry.

Because it provides complete end-to-end publishing solutions.

Because it has successfully powered its services business with smart technology.

Because its platforms combine technical expertise with publishing knowledge.

Because it is helping clients reduce costs, achieve faster time-to-market and enhance competitiveness.

The result is that MPS is being increasingly considered indispensable to the success of some of the largest publishing companies in the world.

Heritage

MPS Limited was established as an Indian subsidiary of Macmillan (Holdings) Limited in 1970. Over the years, the company has carved out a distinctive reputation for a combination of domain insight and technology capability, making it a go-to service provider in the global publishing services outsourcing sector.

In October 2011, the Company was acquired by ADI BPO Services Limited from Macmillan (Holdings) Limited, led by Nishith Arora, who is the largest shareholder and promoter of ADI BPO Services Limited.

Management

The Company is headed by Nishith Arora (Executive Chairman) and Rahul Arora (Chief Executive Officer) supported by a senior professional management team heading strategic business units and key functions. This team is based in India and US.

Presence

The Company is headquartered out of NOIDA in India's National Capital Region. The company's offices are located across India (Bengaluru, Chennai, Gurgaon, Noida and Dehradun). The company also has international offices in USA (Portland, Orlando, Durham, and Effingham). In May 2015, Rahul Arora was promoted as CEO to drive a customer-focused strategy from Orlando, US.

Human capital

The Company's employee strength was in excess of 3,000 as on March 31, 2016; 98.6% of the company's employees were located in India and 1.4% across international operations (USA).

Credentials

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

Clientele

The client list of the Company comprises almost all leading publishers located across the world like Springer Nature, Elsevier, Cengage Learning, McGraw-Hill, Wolters-Kluwer, Houghton Mifflin Harcourt, Apple, Amazon, Oxford University Press, Cambridge University, American Chemical Society, Royal Society of Chemistry, and Institute of Physics Publishing, among others.

Acquisitions

MPS Limited made three US-based acquisitions (Element, EPS, and TSI) that were completed through MPS North America LLC, a wholly-owned subsidiary incorporated in May 2013.

2013: Element LLC, based in Orlando (USA) specialized in content and media asset development for educational publishers, focusing on science and math.

2014: Electronic Publishing Services Inc (EPS), a leading US-based content services provider to the higher educational and STM publishing markets.

2015: TSI Evolve (USA), specializing in content development and media asset development for educational publishing, focusing on Reading, Language, Arts and World Languages.

The Company integrated these entities under the umbrella of product development, opened up acquired capabilities to its existing customers, and expanded inherent capabilities to acquired customers.

The business

Content Creation and Development: The content creation and development teams at MPS North America partner with publishers to create and develop engaging content for print and digital delivery. Our subject matter experts and instructional designers bring their curriculum and classroom expertise to projects across disciplines for Educational and Professional Publishers.

Content Production and

Transformation: The content production and transformation teams across the facilities in India provide end-to-end delivery across all print and digital formats through smart workflows powered by relevant platforms.

Platform Development and Technology Services: MPS has an in-house platform development and technology division for publishers powered by 300+ experience developers and client support teams that combine technical expertise with publishing domain knowledge. This group enjoys a rich history of developing and implementing various software and technology services programs with some of the world's leading publishers.

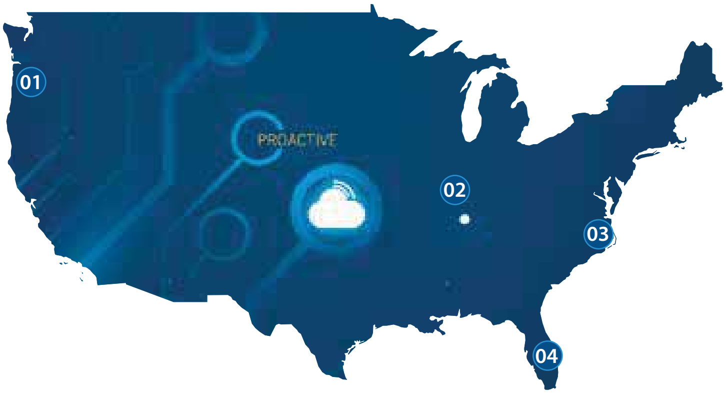
Learning Media Solutions: This business unit at MPS develops/supports learning and collaborative platforms, web and mobile applications, interactive eBooks, animations, assessment products and ADA compliance. The overarching focus for this business unit is to power engaging and interactive learning products for educational publishers.

Customer Support and Order Management: MPS provides complete end-to-end customer support and subscription management services for print and online products that encompasses order fulfillment, customer support and subscription management.

Listing

MPS Limited shares are listed and actively traded on the National Stock Exchange of India Limited and BSE Limited. The market capitalization of MPS Ltd. was ₹1,230 crores as on March 31, 2016.

Presence



India

01 Gurgaon ● 02 Noida (Headquarters)
03 Dehradun ● 04 Bengaluru ● 05 Chennai

USA

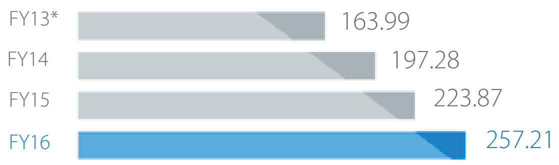
01 Portland [OR] ● 02 Effingham [IL]
03 Durham [NC] ● 04 Orlando [FL]

Clientele

CENGAGE Learning · Royal Society of Chemistry · Houghton Mifflin Harcourt · ACS Chemistry for Life · Wolters Kluwer Health · Oxford University Press · Springer · amazon · University of Cambridge · IOP Publishing · McGraw Hill Education · Elsevier

MPS. DELIVERING **STEADY GROWTH**

Higher revenues



Revenues (₹ / crores)

Definition

Sales growth from all our businesses.

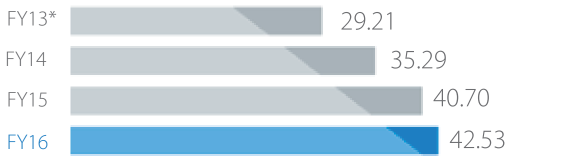
Why we measure

This measure reflects the result of our capacity to understand market needs and service them with corresponding services and products, customer proximity, domain and technology understanding as well as competitive back-ending of operations out of India.

Performance

Our aggregate revenues (including subsidiaries) increased 15 per cent to ₹257.21crore in 2015-16, which compares favourably with de-growth of the largest players in the global publishing services industry.

Operating margins



Operating margin (%)

Definition

The movement in percentage points in operating profit before interest, depreciation, exceptional items, and tax when divided by the company's revenues.

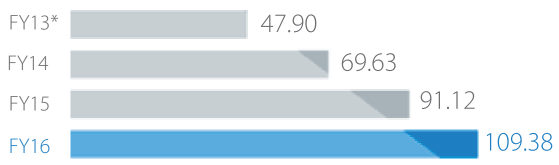
Why we measure

This movement essentially indicates whether the business is becoming more efficient or not. MPS is focused on a consistent increase in operating margins, higher than the market average.

Performance

The company's operating profit margin increased every single year through the last four years. The company reported a 183 bps increase in operating profit in 2015-16. This was the result of higher productivity across the business.

Operating profit



Operating profit (₹ / crores)

Definition

What the company earned before the deduction of interest, depreciation, extraordinary items and tax.

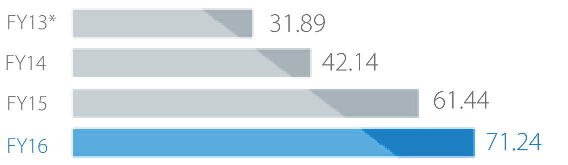
Why we measure

This measure is an index of the company's operating profits, which can be easily compared with sector peers.

Performance

The company's operating profit grew every single year through the last four years. The company reported a 20 per cent increase in its operating profit in 2015-16, reflecting the results of acquisitions, customer acquisitions, cost reduction and revenue mix improvement.

Post-tax profit



Post-tax profit (₹ / crores)

Definition

This is derived after all expenses and all liabilities have been accounted for – the quantum available with the company for reinvestment and distribution.

Why we measure

This indicates our ability in convincing our stakeholders of the robustness of our business model.

Performance

The company's profit after tax increased 16 per cent to ₹71.24 crores in 2015-16.

*FY 13 numbers are based on standalone financials. Numbers for other periods are based on consolidated financials.

People cost

People cost as % of revenues

Definition

This is derived by dividing the quantum of people cost by the company's revenues, expressed as a percentage.

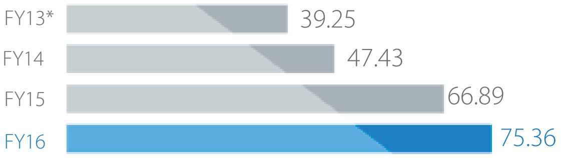
Why we measure

This highlights the company's competitiveness in managing its single biggest cost item.

Performance

People costs as a percentage of the company's revenues have been maintained around the same level even as the company's revenues have grown, strengthening competitiveness.

Cash profit



Cash profit (₹ / crores)

Definition

This is derived through the addition of depreciation to profit after tax.

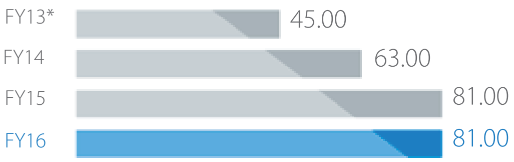
Why we measure

This indicates the quantum available the company that can be potentially reinvested in the business.

Performance

The company increased its cash profit 13 per cent during the year under review to ₹75.36 crores.

Return on capital employed



ROCE (%)

Definition

This is derived from dividing EBIDTA by the capital employed in the business, expressed as a percentage. In this case, the company has deducted QIP proceeds from employed capital and deducted the corresponding treasury income to generate a true and fair picture of the company's profitability.

Why we measure

This percentage indicates whether our business is generating a return superior to what may be generated in alternative forms of capital deployment.

Performance

The ROCE generated by the company has progressively strengthened and then maintained, validating its business model.

*FY 13 numbers are based on standalone financials. Numbers for other periods are based on consolidated financials.

"MPS LIMITED IS AT A SWEET SPOT IN THE MIDST OF **RAPID MARKET TRANSFORMATION.**"

MPS Ltd has reported another year of steady growth in 2015-16 while maintaining operating margins. We continue to leverage the rich 46-year legacy, deep customer relationships, technology and platform strengths, wide services range, large footprint of facilities in India and offices in the United States, and our team of over 3,000 passionate associates.

MPS has been exploring opportunities to grow faster through acquisitions and while we are proceeding cautiously, we see acquisitions as an integral part of our growth strategy. We are excited about the opportunities that are coming our way and our cash reserves provide comfort that we will be able to execute our growth plans.

Nishith Arora,
Executive Chairman

NOWHERE WAS OUR 'SEEING-OPPORTUNITIES-WHERE-OTHERS-SEE-CHALLENGES' MINDSET BETTER REFLECTED THAN IN A **CHALLENGING 2015-16.**

Several global publishing services companies struggled.
MPS grew revenues by 15 per cent.

Several publishing services companies indicated increasing competition.
MPS increased its wallet share with top customers and acquired prestigious clients.

Most global publishing services companies continue to provide commoditized services.
MPS powered production and transformation through smarter workflows and DigiCore.

Most global publishing services companies struggled to excite customers.
MPS deepened offerings across services, products, and annuity engagements.

Most global publishing services companies complained of stressed Balance Sheets.
MPS reported profitable growth for the fifth successive year – with no debt.

"WE ENHANCED THE QUALITY OF OUR BUSINESS **IN 2015-16"**

Rahul Arora, *Chief Executive Officer,* analyses the Company's 2015-16 performance

Q: Were you pleased with the performance of the company during the year under review?

A: Yes, I am pleased that we delivered another year of steady revenue growth at dependable margins. A number of publishers are realizing that they need to reinvent themselves through a lean operating model with increased outsourcing to specialized vendor partners. This represents a wonderful opportunity for MPS. We are working closely with publishers to identify new areas of outsourcing and made some early progress in FY15-16. Additionally, publishers are looking to consolidate their business with fewer vendor partners and MPS has been on the right side of such consolidation in all cases.

Q: What were the financial highlights of this performance?

A: MPS delivered another year of steady revenue growth in 2015-16. On a consolidated basis, forex-gain adjusted revenue grew by 14% to ₹261.25 crores in 2015-16 against ₹229.72 crores in 2014-15. Broadly, we maintained our margins through this steady growth. We raised no debt, continued to hold our QIP funds of ₹150 crores, managed capital expenditure requirements through internally generated funds and sustained our dividend outlay of ₹22 per share on a higher capital base. The biggest highlight for us was our ability to consistently deliver a strong and dependable financial performance.

Q: How is the business progressing with MPS' core customers?

A: MPS continues to relentlessly follow a large account strategy and our top 10 accounts are steadily growing. This growth is a consequence of deeper strategic partnerships that define the strength of MPS. We are acquiring a larger wallet share of these customers; the size of the pie is also increasing with us contributing to the identification of new outsourcing areas. Our Macmillan heritage, enhanced capabilities as a result of the US-based acquisitions, and dependable performance have positioned us to emerge as trusted advisors to our core customers.

Q: Can you provide an update on the progress of the US-based acquisitions? Are you satisfied?

A: We are delighted with the progress of the three US-based acquisitions.

In their prime, all three entities were considered as premier partners in their domains. Within educational publishing, Element and TSI were content development houses that publishers would approach first, and only if they were otherwise occupied, would they go to the next layer of vendors. Similarly, for Higher Ed and Professional Publishers, EPS was a dependable partner for content and media asset development for the Higher Sciences.

Interestingly, at a certain point, all three entities started to suffer financially because their sole US-based delivery models became unsustainable. Publishers nudged us to complete the acquisitions in the final stages of our negotiations with each of these entities. Thereafter, post-acquisition integration has included attention to detail, relentlessness and courage on key strategic decisions.

> "We are delighted with the progress of the three US-based acquisitions.
> In their prime, all three entities were considered as premier partners in their domains."

From an organizational perspective, we are in a strong position. We have integrated our North America operations. Jamie West heads product development for all disciplines for Educational Publishing, Victor Ortiz heads Media Asset development for all markets, Eileen Mitchell continues to lead the Higher Ed and Professional Publishing Practice with her business owner mindset. Yamini Arora leads the expansion of these businesses. All silos have been broken and these leaders have seamlessly integrated with our operations in India. In the context of our market, this is a remarkable achievement and has been recognized by all our customers.

As a consequence, the MPS North America subsidiary is contributing directly to the growth of the company and also supporting the growth of our larger offshore business.

Q: What was the big take-home for the company's performance during the year under review?

A: The quality of our business improved - for some good reasons.

One, in what is essentially a sticky business where customers prefer to work with select vendors across extended tenures, the company made early inroads into some large customers across the Educational and Professional Publishing markets.

Two, the company enhanced its strike rate across prospective customers, which endorses our track record in enhancing customer value and ability to outperform in a challenging market.

Three, we made further transitions from a back-end assembler to a front-end product developer powered by technology-enabled operations, where, in addition to existing deliveries, we assume turnkey product development responsibilities for select products. This liberates our clients to focus on the development of marquee products, sales, and marketing, enhancing the overall customer experience.

Four, in our India operations, we enhanced automation to improve productivity and stepped up our operations in Dehradun. The result was that as revenues grew, our manpower costs did not grow proportionately. This allowed us to absorb the incremental costs associated with TSI, as based on our experience; these acquired US-assets take 12-18 months to perform as per market expectations.

Five, our software licensing revenues entered an interesting phase. Two of our platforms reported attractive traction during the year under review – one was a large content delivery platform, while the other was a graduation from a back-end support vendor to a front-end marketing analytics platform for the library market. The growing revenues derived from these areas indicate that they address specific market needs, raising prospects of repeat sales, sustainable revenues and enhanced revenue quality.

Q: What were some of the heartwarming developments of the company's performance in 2015-16?

A: The year under review represented the first decisive year of our engagement with one of the world's largest content aggregators. For a few years now, we have been running pilots and developing trust with this client. In 2015-16, we delivered content transformation and metadata management services around respectable volumes. Through these deliveries, we established a niche in select markets and built a strong base.

Our Journals business enjoyed a record year in revenue growth at dependable margins. Largely, we powered the Journals business with our DigiCore platform, allowing us to push a greater volume of content at enhanced productivity. Since continuous cost management is ingrained in our culture, we reduced a facility each in India and North America, leading to more integrated operations.

Q: What makes you optimistic of MPS' prospects?

A: There are a number of reasons for my optimism. We are a comprehensive vendor-partner covering all parts of the value chain, and run deep at every stage of the value chain. We are operationally flat, making it possible to respond with speed to emerging opportunities. We represent an effective complement of strategic direction in the US coupled with hands-on operations driven out of India. Our promoter-entrepreneurs understand the business strategically, operationally and financially, managing the company with relentless passion. And lastly, there is an ownership consistency, which is strengthening our speed, appetite and opportunity-responsiveness.

OUR PERFORMANCE AMBITION

At MPS Limited, our performance ambition is to create one of the most respected global publishing services companies.

Overall goal

- Stay committed to the goal that we communicated in 2014 – double revenues in three or four years

Probable goal contributors

- 50 per cent of growth from acquisitions
- Platform business to play a major role
- Expansion into new publishing market segments
- New areas of outsourcing within publishing

We are making focused investments in:

- Enriching domain and technology knowledge
- Consolidating acquired competencies and strengthening client offerings
- Scaling our business through multi-year customer engagements
- Increasing technology-intensive platform offerings
- Mining client accounts deeper through cross-sell and up-sell opportunities
- Enhancing the utilization of owned space from 65% to 85%
- Increasing employee head count in Dehradun while maintaining overall headcount

How we are measuring our performance ambition:

Profitable growth

- Total revenues: Grew 15 per cent in 2015-16
- Operating profit margin: Grew 183 bps to 42.53 per cent in 2015-16

Consistent value creation

- Return on average invested capital: Maintained an excellent Return on Average Invested Capital at 81% across the last two years

Customer relationships

- Core vendorship: Revenues from the ten largest customers grew at 18 percent, while the company grew at 15 percent

OUR BUSINESS **MODEL**

MPS Ltd inherited the multi-decade knowledge capital of Macmillan UK, which represented a competitive domain inheritance and a pillar of the Company's business model.

1 Focus

MPS is singularly focused on providing platforms and publishing services for the global publishing industry. It is India's only listed pure-play publishing services company. This has strengthened its global brand as a specialist, translating into top-of-the-mind recall, customer accretion/retention and peer respect. Among other things, this specialization has translated into stakeholder trust: the company mobilized ₹147.8 crores (net of issue expenses) through a private placement of shares within four years of acquisition; the MPS stock was quoted at a price-earnings ratio of 17.44 (as on March 31, 2016) based on its 2015-16 earnings.

2 Fiscal conservatism

MPS is an ambitious company marked by fiscal conservatism and de-risking. For instance, the company continues to finance all capital expenditure from the proceeds of its depreciation provision. The company has virtually no debt. The company selected to park ₹147.8 crores net proceeds from its private placement (March 2015) in liquid financial instruments including money market mutual funds that promised security over return. The company moderated employee costs from 56% of revenues in 2011-12 to 42.6% in 2015-16.

3 Sustainability

MPS is guided by a long-term strategic direction and corresponding investments leading to business sustainability. This translated into proactive investments in the technology side of its business, complementary acquisitions (three since 2011), a growing marketing presence in North America and the decision to back-end operations from India's Tier 2 cities (Dehradun).

4 Customer focus

MPS is focused on spreading itself thick, which can only be derived from a focus on the growing traction emerging from the 50 largest global publishing companies (volume and value assignments). The company enhanced the responsiveness of these large customers to rapidly-evolving environments. The company makes it possible for these customers to enhance revenues and moderate costs, strengthening their competitiveness. It mines customers deeper to up-sell and cross-sell other services. As the company invests progressively deeper in technology-based solutions, it expects to increasingly address small publishers.

5 Geographic focus

MPS intends to grow its marketing presence in North America and Europe, which is the base of the largest publishing companies. Interestingly, these geographies are also marked by rising costs, warranting the need for increased outsourcing. Relevantly, MPS completed three acquisitions in North America in three years. Besides, MPS back-ended a major part of its Indian operations in a Tier 2 Indian location (Dehradun) providing it with a quality and cost opportunity (people and space) - a superior customer and corporate value proposition.

6 Offshoring

MPS customers are based in North America; its service delivery capabilities are located in India. The company's offshoring model comprises a marketing team in US to attract new business coupled with a servicing team in US working with its delivery centers in India. The effectiveness of this model is reflected in a growing revenue throughput, larger customer wallet share and graduation to core vendorship.

7 Core vendor

The MPS objective is to evolve into a core vendor for large publishing companies marked by collaborative partnership in pursuit of the client's objective and multi-year engagement. The company generated a sizable 80 per cent of its 2015-16 revenues from its ten largest customers for whom it

As the global industry space evolves, MPS transforms faster

From an implementation company **>** To a trusted advisor to our clients
From vendorship **>** To partnership
From leading out of India **>** To leading from the customer's soil
From organically-driven growth **>** To organic cum acquisition-driven growth

was engaged as a core vendor, validating this positioning.

8 Productivity

MPS offers customers a superior price-value proposition – declining realizations more than offset by larger projects serviced from competitive locations (Dehradun accounting for 1,022 of 3,001employees) and productivity-enhancing processes. At a time when large publishing houses demanded lower rates, MPS moderated people cost as a proportion of revenues: from 56 per cent in 2011-12 to 42.6 per cent in 2015-16; correspondingly, revenues per worker increased from ₹55,400 in 2011-12 to ₹72,100 in 2015-16.

9 Multi-segment revenues

MPS is an end-to-end solutions provider. This provides clients with convenience should they select to extend our engagement from one business segment to another without switching vendors. In turn, this provides us with a diverse revenue mix (services, annuity and products) that broad-based our presence at the client end.

10 Technology emphasis

MPS is investing in cutting-edge technologies to help graduate clients from conventional print to the virtual media. The company created a technology platform to enhance scalability (without a corresponding increase in employees), efficiency and customer management. The company's SAAS (software as a service) suite comprises workflow management (MPSTrak), editing and automated composition (MPSDigiCore) and business analytics (MPS Insight).

11 Acquisitions

MPS has selected to acquire companies with complementary capabilities to accelerate growth and respond to market opportunities. The company acquired three companies in the three years ending 2015-16. To take this initiative ahead, MPS made a Qualified Institutional Placement of equity shares mobilizing ₹150 crores with the objective to acquire targets (enjoying strong customer relationships, market presence, and capabilities). MPS acquires targets with complementary skill sets, where longstanding customers will work with MPS following acquisition and where the company can pay a price that can generate attractive long-term returns. It does not acquire companies through debt; it acquires the brand, employee profile and customer list, insulating the company from hidden liabilities.

12 Financial integrity

MPS recognizes the value of a robust Balance Sheet. The company generated a return on equity of 44 per cent in 2015-16 (without factoring the QIP mobilization of ₹150 crores and setting off the treasury income earned) and a return on capital employed of 81 per cent. The company's accounts were not qualified by the auditors.

The validation of our business model

12%
Return on capital employed, 2011-12

45%
Return on capital employed, 2012-13

63%
Return on capital employed, 2013-14

81%
Return on capital employed, 2014-15 (excluding QIP funds)

81%
Return on capital employed, 2015-16 (excluding QIP funds)

From conventional services **>** To technology-enabled services
From plain contracts with customers **>** To multi-year engagements
From a focus on existing areas **>** To exploration of outsourcing in new areas
From a simple delivery of solutions **>** To core vendorship across diverse areas
From a people-driven growth model **>** To a platform-driven approach

OUR PRODUCTS **AND OFFERINGS**

● Content creation and Development ● Content production and transformation ● Learning and New Media Solutions ● Platform Development ● Customer Support

1 Content Creation and Development

Comprises authorship, the foundation of the publishing business

Overview

- Provides the company with an opportunity to engage in product co-development with the client
- Comprises the business of North American subsidiaries

Highlights, 2015-16

- Worked on critical and best-selling programmes
- Engaged in the selective recruitment of professionals who previously worked on the publisher side
- Extended from science and mathematics to language and arts
- EPS, the US acquisition, reported traction in STM and content creation from the fourth quarter onwards

2 Content Production and Transformation

Comprises the businesses of Journals, Books, and Digital Services

Journals overview

- Addresses the need for Journal publishers to publish increased content quicker and cheaper across platforms; the largest business segment
- The company is a global leader in content transformation and project management services (author-to-reader publishing value chain); services comprise print and online publishing
- Solution delivered out of three locations - Bangalore, Dehradun and Chennai.
- Scientific publishing the fastest growing sub-sector insulated to economic cycles.
- Large English-language STM journal publishing market estimated at USD 10bn (2012) with a 4.5% CAGR [Source: The STM Report, Mark Ware Consulting, 4th Edition,2015]

Journals strengths

- Effective packaging comprising technology-enabled content production with creative design
- Ability to adapt to new technologies and platforms
- Transforming content from legacy to contemporary platforms in the shortest time through smart automation and innovative processes.
- Process marked by zero-error workflow and impeccable product delivery
- Addresses the volume requirements of large clients
- One of the largest in the Indian publishing services space; large and diverse customer base.
- Intellectual capital drawn from the oldest journal publishing services provider; four-decade experience of working with multiple global publishers.
- Proactive investments in publishing R&D and innovation; developed state-of-the-art publishing tools like DigiEdit and DigiComp
- Competitive operating costs through Dehradun facility. No longer a back-end facility. Comprehensive operations performed in Dehradun.

Journals highlights, 2015-16

- Record growth in revenues at dependable margins
- Newly-acquired University Press account started to transition volume
- All customers increased volume with MPS

Books overview

- Services offered bridge the gap between instructors and learners - school, higher education, academic and STM
- Focus on processing and delivering educational content in an engaging manner
- Books business provides content development, editorial, full-service project management, and page composition services; clients comprise the world's leading educational, scientific and scholarly publishers.
- Business operates from Noida, Dehradun, and Chennai in India, as well as three US locations (Orlando, Portland and Durham).

Books strengths

- More than 35 years of experience in processing educational and scientific book content
- Technology-enabled workflows enhancing process efficiencies
- Proprietary editorial and project management skills; upstream integration with content development services; downstream integration with eLearning services
- Ability to customize workflows addressing client requirements.
- Global presence, resource scalability and delivery; flexibility to assume large projects without compromising quality or timeliness.

• Full-service project management and editorial capabilities; in-house editorial services staff in Bangalore, Chennai, and Dehradun in addition to freelance onshore resources.

• Growing partnerships with educational and professional publishers

Books highlights, 2015-16

• Started delivering products through third party platform – Habitat by Inkling

• Continuously expanding scope of digital deliveries based on publishers. All print and digital products delivered simultaneously.

Digital Services overview

• Growing need for eBooks with PDF files.

• Growing need of publishers to selectively digitize their large book and journal archives

Digital Services strengths

• MPS offers a range of multi-format content conversion services.

• Technology-enabled conversion workflows

• Capacity to address large volumes and variety of source files

• Proven production models depending on client-specific requirements

Highlights, 2015-16

• First decisive year of our engagement with one of the world's largest content aggregators

• Selected as core conversion partner by a leading medical publisher for one of their fastest growing products

Database/ Directory Publishing services overview

Services involve the creation of databases, production services for database and directory publishers and preparation of high quality print, online and mobile advertisements.

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.

Strengths

• Scale: This is one of the largest design centers in India, with over 13 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 designs in multiple languages.

• Systems: The division provides native culture training programmes to improve productivity and quality

• Service: The division provides round-the-clock support to ensure compliance at all times.

• Standards: Creative freedom adverts are designed using innovative ideas.

• Creative new media and software unit: The division possesses online experience, cost-effective web services, interactive Internet, mobile design and delivery services

Highlights, 2015-16

Won an attractive assignment from a Canadian client who outsourced work to India for the first time

3 Learning and New Media Solutions

Comprises media asset development (videos, animation, art and illustrations)

Overview

• Growing use of smartphones in downloading educational content, growing propensity of consumers for immediate content availability and interactivity, growing room for platforms to become technology-compatible and vast room to move from print to digital and digital devices.

• Capability in enhancing content leading to a differentiated user experience optimized for superior devices

• Inspiring a shift in focus from teacher capability to student experience

• Growing focus on the ability to monitor products in real time (teacher to students and student to student) leading to timely adaptation

• Addressed the creation of mobile applications (e-learning), website interactivity (e-learning assessment), technology migration (animation and offline site) and teacher-student interaction.

• Use of advanced multimedia tools created digital learning applications with flip charts, interactive games and activities used as classroom learning aids.

• Development of educational CDs and DVDs containing animations, activities, games, and other interactive content.

Strengths

• Rich domain knowledge combined with technology, a rare combination

• Rich client-specific domain knowledge

• Rich complement of designers, content developers, instructional designers

• Complementary US acquisitions to enhance competitiveness

• Enhanced ability to cross-sell and up-sell

• Brand-enhancing part of the company's portfolio

• Enhanced relevance derived from the ability to work at the cutting-edge

• Widened applications and exposure; introduced with smarter workflows

Highlights, 2015-16

• Signed a large project with US-based educational publisher for developing an HTML5 platform based on existing Flash-based product (best selling product for the client)

• Signed a project with a large medical publisher in the US to support an Adaptive Learning platform

4 MPS Technologies

Technology services to publishers comprise: proprietary platform development (per transaction payment), platforms (author to reader) customized around customer needs (translating into outright sale and/or maintenance services)

Overview

- One of the most dynamic segments of the company's business
- Growing global opportunity in technology-led content delivery within the global publishing industry

Highlights, 2015-16

- University Press signed MPSTrak to enhance productivity
- Libraries accepted MPS Insight, opening the company to a large market
- Combination of MPSTrak, DigiEdit and DigiXML attracted customers and enhanced subscriptions

Strengths

- Deep domain understanding in addressing the specific publishing application service requirements of publishers; ability to provide products or services – a hybrid model
- Track record of having created more than 20 technology platforms for the global publishing industry (attracting more than six million visitors per day); ability to deliver platforms in among the shortest tenures in the world
- DigiCore accepted as a leading industry platform in the STM and academic editorial and production spaces, facilitating concurrent workflows, digital publishing over print and facility to update
- MPSTrak product rated as one of the best in the world in the STM market

Highlights, 2015-16

- Signed prestigious University Press as a client for MPSTrak, a Cloud-based workflow management solution
- Re-entered the libraries market through the marketing analytics platform
- Signed emerging Open Access publishers in the STM community for a Content Delivery platform
- Delivered a Content Creation Platform to a leading medical information publisher in Australia

5 Customer support

MPS provides end-to-end solutions for the subscription cycle and customer relations management for print and online products.

Overview

- Nearly 80 per cent of all publisher revenues are now derived from online sales.
- Conventional publishers need to extend their business models to the online
- Emerging opportunities in subscription management and marketing support

Strengths

- The Company is capable of handling multiple currencies, storing global address structures, handling multi-country tax methodologies and allowing customers to analyze sales trends, accessing marketing information and managing stocks.
- This business enjoys a multi-decade domain insight (starting as a back-end unit of Macmillan Publishers), an edge over competing BPO service providers

OUR PLATFORMS

DigiCore

A cloud-based end-to-end platform that streamlines, automates, and optimizes the publishing process. The platform is powered by a workflow driven content management solution built on an advanced BPM engine and DMS infrastructure. The online rich editing environment (underlying XML) for authors, reviewers, and editors provides customized functionalities including math and table editing, and on-the-fly HTML/EPUB/PDF preview. The end-to-end CMS allows creating, capturing, managing, delivering, and archiving documents. The platform seamlessly integrates with other systems including publisher systems and online databases.

MPSTrak

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. Provides intuitive user interface, faster time to market, increased transparency, global visibility on workflows and efficient workflow solutions.

MPSInsight

Empowers publishers and librarians with powerful content usage analytics on a Cloud-based platform; generation of sales and marketing reports including regionwise trends and title-wise trends, allows librarians to compare usage statistics and derive useful metrics and make better informed purchasing decisions. Generates quicker turnaround time for reports, lower operational costs, easier administration for publishers and librarians, highly intuitive user interface as per publisher requirements.

Content store

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. Enhanced 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.

ScholarStor

Cloud-based HTML5 solution for scholarly content. Allows content hosting and access, administrative services, built-in subscription and e-Commerce module, robust search engine and content discovery services.

MANAGEMENT DISCUSSION **AND ANALYSIS**

Company overview

MPS Limited (MPS) provides content creation, production, transformation, technology-based platforms, and customer support services to publishers. The Company has a team of 3,000+ employees based at offices in Bengaluru, Chennai, Gurgaon, Noida, and Dehradun in India and in Portland (Oregon), Orlando (Florida), Durham (North Carolina), and Effingham (Illinois) in the United States.

Established as an Indian subsidiary of Macmillan (Holdings) Limited in 1970, the Company has evolved over its 46-year history to emerge as 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 (ADI BPO) from Macmillan (Holdings) Limited, led by Nishith Arora, who is the largest shareholder and promoter of ADI BPO Services Limited.

In May 2015, Rahul Arora was promoted as the CEO of the Company, to be based in Orlando to drive a more customer-focused growth strategy. All customers welcomed this development and the company is working closely with MPS to identify new areas of outsourcing and consolidate their existing business through volume agreements. The Company's experienced team has responded favorably to the new management and direction, working together to generate a steady growth momentum.

The three US-based acquisitions (Element, EPS, and TSI) completed through MPS North America LLC (MPS North America), a wholly-owned subsidiary incorporated in May 2013, were smoothly integrated. MPS North America LLC is focused on content creation and development, project management and media asset development for K12, Higher Ed, Academic, and STM publishers. This subsidiary gained traction in these business areas, contributing to winning offshore revenue for other business areas, including content production, transformation, HTML5 development and platform services.

The platform business at MPS gained traction. The Software as a Service (SaaS) business attracted new customers, choosing to subscribe to a module or a combination of modules within the DigiCore Suite - MPSTrak (workflow management), DigiEdit (content authoring and editing), DigiComp (automated composition), DigiEnhance (multimedia enhancement), DigiReady (content delivery) and MPSInsight (business analytics).

MPS Limited is committed to provide quality products to its customers. The Company received various quality and information security accreditations including ISO 9001:2008 (Quality Management System) for the journals workflow. It also acquired ISO/IEC 27001:2013 certificate (Information Security Management System) practicing stringent security, compliance policies and controls.

In March 2015, MPS completed a QIP of ₹150 crores that saw participation from HDFC, Goldman Sachs and other investors. These funds will be deployed to address acquisition opportunities and benefit from the consolidation taking place in the global publishing services space.

Market developments

The global publishing market is estimated in excess of USD 500 billion. Some reports estimate that over the past decade the market in India grew at a compounded annual growth rate of 15%, now estimated at USD 1.6 billion.

The three US-based acquisitions (Element, EPS, and TSI) completed through MPS North America LLC (MPS North America), a wholly-owned subsidiary incorporated in May 2013, were smoothly integrated.

India is by far the largest supplier destination; however, it is difficult to know what size of the pie will be for publishing outsourcing over the next few years. Intuitively, as customers downsize operations in favor of outsourcing, the market should definitely see another growth phase. The supply base in India is concentrated among a few large players and the market has a long tail of small-to-medium suppliers. There are also a few additional suppliers who have operations in the Philippines.

Within the global market, MPS is a strong player in the Educational and Academic/STM markets. The Company expanded its presence in the trade publishing market through engagements with one of the largest self-publishers and with a leading content aggregator. Each of the publishing markets encountered unique challenges.

In the Educational publishing market, technology-based innovations seem to be the focus since publishers aim to develop differentiated digital learning ecosystems that extend beyond classrooms. These ecosystems would host a series of modular products, including adaptive learning environments, interactive textbooks, simulation learning, educational gaming, and learning through social networking. Correspondingly, environments are being developed for teachers to offer a different style of teaching, allowing them to monitor student progress in real-time. Still, digital product revenues have not been able to catch up with the steep decline in print revenues.

In the Academic/STM market, Open Access continues its momentum, with prestigious publishers like the American Chemical Society too embracing the business model. There is a further boost in the importance of research data; increased pressure from governments and research funders to demonstrate the impact of their institutions' research on society, and eagerness on the part of researchers to connect, collaborate, share, and comment. Overall, the importance of books and journals in science and technology will continue to grow, resulting in a larger volume of content being published.

Within the Trade publishing market, it seems that eBook and print will diverge into parallel markets. There will be more pressure on the mid-tier as big publishers pursue a 'winner-takes-all' strategy and new players will have to face a lot more barriers to enter; publishers will seek more brand partnerships to deliver book sales; rights management will continue to be a hot topic. Self-publishing is expected to plateau or even decline as some of the larger players look to diversify their market presence by adding platforms for educational and academic markets.

Within these submarkets, there exist two commonalities: revenue growth is either flat or modest, and ownership structures have shifted from family-owned publishers to private equity-owned with the ultimate aspiration for private equity owners being an IPO exit at a greater valuation. This has resulted in publishers striving for unprecedented margin growth, downsizing their operations in favor of outsourcing.

The publishing solutions vendor partners have witnessed significant consolidation and financial pressure. In this context of uncertainty, MPS Limited is unique. Publishers are seeking vendor partners with comprehensive end-to-end services, forward-looking managements determined to expand services organically and inorganically, experienced operations with a reputation for excellence, committed to advance with changes in the technology landscape, and the ability to rapidly ramp up and scale. The stability of the partner is particularly important. Given that these qualities will be table stakes for an ideal partner, MPS should emerge stronger and emerge as a market leader.

Discussion on financial performance with respect to operational performance

The Company continued its steady growth momentum in 2015-16. On a consolidated basis, revenue grew by 14% from ₹229.72 crores to ₹261.25 crores (including revenue-related forex loss/gain). Corresponding PBT (before exceptional items) increased by 23.14% from ₹85.38 crores to ₹105.14 crores.

The Company raised no debt, continued to hold its QIP funds of ₹150 crores, managed capital expenditure requirements through internally generated funds, and continued its dividend outlay of ₹22 per share on a higher capital base.

Segment-wise and product-wise performance

The Company currently operates in a single segment of outsourced publishing services.

Internal control systems and their adequacy

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 implemented SAP, an ERP System, to exercise adequate internal control.

The Company appointed Grant Thornton as the Internal Auditor for FY 2015-16. 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, proper, and as mandated by the Audit Committee. The Internal Auditor reports to the Audit Committee.

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

STRENGTHS

MPS believes that the following competitive strengths position it to take a lead in various publising markets

Rich heritage and most comprehensive vendor partner

The long service history as Macmillan's captive business allowed MPS to build unique capabilities and talents through strategic outsourcing programs. Such programs were not trusted with an outside supplier and our rich heritage allowed us to develop possibly the widest range of services. Today, we lead and support all aspects of publishing, including content creation, full-service production, transformation, platforms and IT-related services, as well as customer support.

Scalability and geographic diversity

MPS has facilities in Bengaluru, Chennai, Dehradun, Gurgaon, and Noida in India. MPS North America has offices in Portland (Oregon), Orlando (Florida), Durham (North Carolina) and Effingham (Illinois) in the United States of America. This geographic diversity offers the following advantages:

- Flexibility to recruit diverse talents across locations and manage attrition typically associated with the BPO industry.
- Individual centers focus on being centers of excellence for customers and/or business areas.
- Scalability of operations is a non-issue. No significant capital expenditure is required to ramp up operations. Overall, we are at less than 60% capacity utilization in terms of facility occupancy.
- Our Dehradun facility is a strong differentiator as it offers lower-cost operations. The operations in Dehradun are now even more mature and are taking on more comprehensive processes instead of chunks within a large process. Going forward, Dehradun will be our largest operations center for content production for each product type including books, journals, and reference works.

Strong US presence

MPS believes that its primary growth in the future will be from the United States. The CEO and his core strategy team are based in the US; all customers and prospects have welcomed this development. As publishers identify new areas of outsourcing and consolidate existing business with fewer strategic suppliers, MPS is in a differentiated position by providing its customers local access to senior management. The Company is positioned to ride the next wave of outsourcing as publishers navigate their way through fast change in their businesses.

MPS North America LLC has over 40 associates across four offices in the United States. All these associates are in client-facing roles and they represent the fulcrum of our client engagements. This enhancement in the United States has helped us deepen our client engagements.

Experienced operations management with a reputation for excellence

The bulk of the Company's operations continue to be in India. The Company has experienced Operations Heads and managers in India who work directly with customers and in deep collaboration with the teams in the United States. The operations centers in India are stable and their operational experience and business knowledge offer a significant competitive advantage. MPS has a track record of consistently meeting or exceeding client expectations on key service-level parameters including product quality, schedule adherence, communication/responsiveness, and budget adherence. This is driven by our high work ethic standard as well as our focus on continuous improvement, which is based on the principles of Lean and Six-Sigma. This is facilitated by our emphasis on automation as the key enabler of process improvement.

Committed to technology

The offshore production services market is in a mature stage, where pricing pressures are real and differentiation is minimal. In such a market, MPS is in a unique position as it has leveraged the DigiCore platform to power services through technology-enabled workflows. This has enabled faster processing and significant reduction in manual touch-points, resulting in reduced errors and costs. As we grow our offshore production services revenues, marginal costs will be minimal as all solutions are hosted on Amazon Web Services and the Company does not plan to add headcount. This strategy toward offshore production services is allowing MPS to win more business as clients seek to consolidate operations with fewer suppliers and gain efficiencies.

In addition to internal deployment, DigiCore is gaining traction as a Software as a Service (SaaS) platform used by publishers. We continue to invest in this platform to ensure that it meets the fast-changing requirements of publishers and establishes a lead market position.

Healthy Balance Sheet and stable vendor partner

MPS continues to maintain a healthy Balance Sheet with an enhanced net asset value of ₹269 crores. In a rapidly changing and an uncertain vendor partner environment, MPS presents stability to customers. The vendor partner pool of publishing solutions providers has witnessed significant consolidation and financial pressure over the past few years. In this context of uncertainty, MPS is unique. From being a professionally-run business under Macmillan, MPS is now owned and professionally managed by ADI BPO Services. This is reflected in the fact that in the past few years, MPS has been on the positive side of all the major consolidations as publishers have looked to reduce suppliers. MPS' stable financials and ambitious plans provide for an exciting and more certain future to the publishing community.

Opportunities

Since ADI's acquisition of MPS in FY 2011-12, the Company has grown more than 60% in revenues. In the initial years, margins increased faster; in the past couple of years, they have stabilized. The Company continues to progress towards its aspiration of doubling revenues through organic and inorganic growth.

Publishers continue to struggle and are relentlessly downsizing operations in favor of outsourcing. The most recent example is of Pearson Education that announced a plan to cut 4,000 jobs (10% of its workforce) in January 2016. MPS is working with publishers to identify new services areas of outsourcing; the Company has expanded departments for content creation, assessment development and production, rights and permissions, and media asset development. With regard to technology, publishers unanimously favor the Software as a Service model in the 'make versus buy' analysis. In the platform business, MPS is uniquely positioned because along with the technology horsepower, the Company possesses the domain knowledge acquired over its 46-year heritage, which most IT providers lack. Besides, publishers do not have resources to onboard major IT players in content creation and production technology.

Threats

A possible threat to the business model could be publishers trying to own their offshore operations as they look for positive EBITDA in an overall business model that is not growing. However, this does not appear to be probable as most captive units owned by publishers for BPO services have either been closed or sold to third parties such as ADI.

RISKS AND CONCERNS

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

Regulatory risks: The changes in tax laws, government policies, and regulatory requirements might affect the Company's business. However, MPS continues to operate in five states in India and four states in the United States, this diversity helping contain this risk.

Disaster and security risks: This is a major concern for all IT/ITeS companies. This is being mitigated by MPS through robust business continuity and a disaster recovery plan including the use of alternative sites for data storage and protection. During the recent Chennai floods, MPS stood far above its competition in its ability to manage the natural disaster. The Company was not only able to secure operations but also lend support to publishers by transferring work to MPS as competitors struggled.

Technological risks: Adoption of new technologies by clients is expected to force service providers to adopt new technology involving substantial investments in workflow and manpower management. However, the adoption of new technology platforms by clients is quite limited and typically a provider like MPS would play a lead role in such a switch. This helps mitigate the risks.

Currency risks: Fluctuation in currency generally remains a big risk. This risk is largely mitigated through adequate foreign exchange forward cover. Further, all internal operations and cost planning are completed at a lower exchange rate than the market, which will allow the absorption of a negative swing to an acceptable level.

Industry risks: As the Company is dependent on overseas publishers, any downturn in a customer's business, or in the industry or in any country where the Company does business, could have an impact. The Company is trying to mitigate such risks through the diversification of its business and customer base.

Customer concentration risk: The Company depends on a relatively small number of key overseas publishers. Expanding the customer base is mitigating this risk. Within the existing customers, the Company is looking to deepen the partnership by supporting publishers in new areas of outsourcing.

Competition risks: The barriers to entry are lower in some of the commoditized services for niche publishers, while these barriers are higher for acquiring business from larger publishers and within new outsourcing areas. This risk is being mitigated through increased automation in commoditized areas of the business, diversification of business processes managed by MPS, and deepening partnerships with customers.

Pricing risks: Pricing pressure is a big and constant risk due to increased competition. The Company strives to mitigate this risk with existing customers by entering into volume-based agreements. Thereon, it is the Company's endeavor to reduce the impact by taking advantage of economies of scale and increased productivity, as well as higher level of automation within the different processes.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS, INCLUDING THE NUMBER OF PEOPLE EMPLOYED

Overall, approximately 65% of MPS associates are based in facilities that ADI BPO-MPS owns. As we continue to grow, our broad approach will be to have 80-85% of our associates in such owned facilities, further reducing operating expenses and offering us a deeper competitive advantage.

The Company plans to consolidate its presence in the NCR. In December 2015, the Company migrated small operations in Okhla (Delhi) to the Noida corporate office. This plan will continue over the next 12-18 months as the company scales operations in Noida. Apart from the corporate functions, the Noida facility has operations related to educational publishing including project management, content production, and media asset development. Going forward, the center will be a more complete location for these operations and for the software development and customer support operations as well.

There was continued migration from Bengaluru to Dehradun, which will continue. Dehradun has replaced Bengaluru as the primary facility for the Journals business unit, employing 1,500+ associates. The company is striving to optimize headcount; the migration gains may not be reflected in the gross headcount but could be reflected in the proportionate headcount.

The company started similar consolidation in the United States, where it migrated operations from Champaign to Durham and closed the former set-up in September 2015. This consolidation will continue through 12-18 months.

Cautionary statement

Certain statements in this analysis concerning the Company's objectives, expectations, estimates, projections, and future growth prospects may be regarded as forward-looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially. The risks and uncertainties relating to these statements include, but are not limited to, fluctuations in earnings, intense competition in publishing services business including those factors which may affect our cost advantage, wage increase in India, reduced demand for services in our key focus areas, and general economic conditions affecting our businesses over which the Company does not have any control.

MPS Limited

REPORT OF THE BOARD OF DIRECTORS

DEAR MEMBERS,

The Board of Directors is pleased to present the Forty-Sixth Annual Report along with Audited Financial Statements of the Company for the financial year ended March 31, 2016.

FINANCIAL PERFORMANCE

The financial performance of the Company for the financial year 2015-16 is summarized as under:

(₹ in lacs)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Gross Income	24,237.65	21,379.90
Profit Before Interest Depreciation and Tax (Excluding Exceptional Income)	10,784.59	8,649.58
Finance Charges	11.40	29.23
Provision for Depreciation	385.63	517.07
Profit Before Tax (Excluding Exceptional Income)	10,387.56	8,103.28
Exceptional Income	-	772.05
Provision for Tax	3,335.05	3,005.21
Net Profit After Tax	7,052.51	5,870.12
Balance of Profit Brought Forward	7,452.66	6,549.98
Balance Available for Appropriation	9,575.66	8,039.67
Transfer to General Reserve	705.25	587.01
Surplus carried to Balance Sheet	8,870.41	7,452.66

OPERATIONAL PERFORMANCE

MPS delivered another year of steady growth. Revenue from operations for the year ended March 31, 2016 increased to ₹224.04 crores as against ₹203.17 crores for the previous year. The Profit After Tax for the year ended March 31, 2016 was ₹70.53 crores and EPS ₹37.88 per share as against ₹58.70 crores and ₹34.76 per share respectively for the previous year ended March 31, 2015. An amount of ₹7.05 crores has been transferred to General Reserve during the year ended March 31, 2016 as compared to an amount of ₹5.87 crores for the previous year ended March 31, 2015.

DIVIDEND

During the year under review, the Board of Directors of your Company declared and paid three interim dividends, viz. first interim dividend of ₹7 per share declared on July 20, 2015, second interim dividend of ₹7 per share declared on October 26, 2015 and the third interim dividend of ₹8 per share declared on January 27, 2016. The Board of Director recommends, these three Interim Dividend, aggregated to ₹22 per share as the final dividend for the financial year 2015-16. Total cash outflow (including dividend distribution tax thereon) was ₹49.30 crores. The total distribution of profit after tax as dividend for the financial year 2015-16 stands at 69.90%.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, no amount became due for transfer to the Investor Education and Protection Fund established by the Central Government under the provisions of Section 205C of the Companies Act, 1956.

Your Company updates the details of unclaimed dividend on its website, www.adi-mps.com. The shareholders, who have not yet claimed any of their dividends, are requested to contact the Company's Registrar and Share Transfer Agent ("RTA") for timely claiming the same. Contact details of the RTA are provided in this Annual Report as well as available on the Company's website.

SHARE CAPITAL

The paid up equity share capital as at March 31, 2016 stood at ₹18.62 crores. During the year, the Company has neither introduced any Stock Option Scheme, nor issued any shares with differential voting rights.

SUBSIDIARY

MPS North America, LLC (MPS North America) continues to be the subsidiary of your Company. The three US-based acquisitions (Element, EPS, and TSI) completed through MPS North America have been neatly integrated into the overall operations. MPS North America is focused on content creation and development, project management, and media asset development for K12, Higher Education, Academic and STM publishers. The subsidiary is gaining traction in these business areas and also contributing to winning offshore revenue for other business areas including content production, transformation, HTML5 development, and platform services.

The subsidiary continues to be the fastest growing part of the Company's overall business. The revenue of MPS North America for the year ended March 31, 2016 was ₹37.41 crores as compared to ₹25.64 crores during the previous year. The profit before tax for the year was ₹1.27 crores and profit after tax was ₹0.71 crores as compared to previous year profit before tax of ₹4.35 crores and profit after tax of ₹2.74 crores respectively.

CONSOLIDATED FINANCIAL STATEMENT

As per requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and in accordance with the Accounting Standard (AS) 21 on Consolidated Financial Statement, the Audited Consolidated Financial Statement for the year ended March 31, 2016 is provided in the Annual Report, which includes the assets, liabilities, income, expenses and other details of the Company and its subsidiary.

Pursuant to Section 129 of Companies Act, 2013, (the **Act**)read with Rule 5 of the Companies (Account) Rules, 2014, a statement containing salient features of the financial statements of subsidiary in Form AOC -1 is attached to Consolidated Financial Statement forming part of this Annual Report.

BOARD MEETINGS

During the financial year 2015-16, four (4) meetings of the Board of Directors were held to transact the business of the Company. The time gap between the two consecutive Board Meetings did not exceed 120 days. The details of the Board meetings, including the attendance of Directors at these meetings are provided in the Corporate Governance Report annexed to this Report.

DEPOSITS

During the year under review, your Company has not accepted any deposits under Chapter V of the Act and hence no amount of principal and interest thereof was outstanding.

LOANS, GUARANTEES AND INVESTMENT

All the investments made by the Company were in accordance with the provisions of Section 186 of the Act and the rules made thereunder. The Board of Directors of the Company has duly constituted an Investment Committee that after proper evaluation and assessment of all the proposed investment proposals as per specified parameters, provides its recommendation to the Board. The details of all current and non-current investments of the Company are duly disclosed in the Notes to Standalone Financial Statements.

During the financial year under review, your Company has not provided any secured / unsecured loan to other Body Corporate or guarantees /

securities in respect of any such loan. Your Company has not obtained any secured term loan during the year.

UTILIZATION OF THE PROCEEDS FROM QUALIFIED INSTITUTIONAL PLACEMENT

During the financial year 2014-15, your Company had raised a sum of ₹150 crores through "Qualified Institutional Placement" (QIP). The net proceeds of the issue (net of issue expenses) are primarily 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 been temporarily invested in interest / dividend bearing liquid instruments, including money market instrument and will be utilized as per the objects of the QIP as and when a suitable opportunity of acquisition and strategic growth materializes.

DIRECTORS, KEY MANAGERIAL PERSONNEL, AND EMPLOYEES

During the year under review to ensure the seamless implementation of management's identified succession plan, Mr. Nishith Arora relinquished the position 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, appointed Mr. Nishith Arora, as Whole Time Director and Executive Chairman of the Company for a period of three (3) years w.e.f. May 25, 2015 which has also been approved by the members of the Company at the 45th Annual General Meeting of the Company. Mr. Nishith Arora is now concentrating on the strategic and inorganic growth of the Company. Mr. Nishith Arora retires at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. Your Board of Directors recommends the appointment of Mr. Nishith Arora, as a Director, liable to retire by rotation at the ensuing 46th Annual General Meeting.

During the year under review, Mr. Rahul Arora was promoted as Chief Executive Officer (CEO) of the Company effective from May 25, 2015. The CEO and his core strategy team are now based in the United States and all customers have welcomed this development. The Company believes that its primary growth in the future will be from the United States. As publishers identify new areas of outsourcing and consolidate existing business with fewer strategic suppliers, MPS is in a differentiated position by providing its customers local access to senior management. Mr. Rahul Arora continues to be the Whole Time Director of the Company. As Mr. Rahul Arora was not a resident of India for a continuous period of 12 months preceding the date of his appointment as a Whole Time Director, the Company had applied to Central Government (Ministry of Corporate Affairs) as per the provisions of Sections 196 and 197 read with Clause (e), Part I, Schedule V to the Act. Company's application has been approved by the Central Government (Ministry of Corporate Affairs) vide letter dated July 16, 2015.

Ms. Yamini Tandon was appointed as a Whole Time Director of the Company for a period of 5 (five) years with effect from August 11, 2014. As Ms. Tandon was not a resident of India for a continuous period of 12 months preceding the date of her appointment as a Whole Time Director, the Company had applied to the Central Government (Ministry of Corporate Affairs) pursuant to Sections 196 and 197 read with Clause (e), Part I, Schedule V to the Act. Company's application has been approved by the Central Government (Ministry of Corporate Affairs) vide letter dated June 19, 2015. Ms. Tandon resigned as Whole Time Director of the Company w.e.f. May 8, 2015. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Yamini Tandon, as an Additional Director (Non-Executive) of the Company w.e.f. August 03, 2015. As an Additional Director Ms. Yamini Tandon would hold the office of Director upto the date of this ensuing 46th Annual General Meeting. The Company received a notice in writing from a member along with the deposit of requisite amount in accordance with the provisions of Section 160 of the Act, proposing the candidature of Ms. Yamini Tandon for the office of Director, liable to retire by rotation. The Board of Directors, after considering the expertise and performance of Ms. Yamini Tandon, is of the view that her association with the Company as a Director would be of immense help to the Company. Accordingly, your Board of Directors recommends the appointment of Ms. Yamini Tandon as a Non-Executive Director, liable to retire by rotation at the ensuing 46th Annual General Meeting of the Company.

A brief resume of Directors proposed to be appointed at the ensuing Annual General Meeting along with their expertise and directorships in other companies are given in the Notice to the Annual General Meeting.

DECLARATION BY INDEPENDENT DIRECTORS

Independent Directors of the Company have declared to the Company that they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 17 of the Listing Regulations.

NOMINATION AND REMUNERATION POLICY

As per provisions of Section 178(3) of the Act, 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; and
- 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 A to this Report.

BOARD EVALUATION

As per Section 178 of the Act and the corporate governance requirements as prescribed under Regulation 19 of the Listing Regulations, performance evaluation of the individual Directors, Chairman, Board and Committees thereof is an annual exercise. Based on the criteria set by the Nomination and Remuneration Committee, performance of Independent Directors was carried out by the Board of Directors. Independent Directors in their separate meeting evaluated the performance of non-independent Directors, including the Chairman, Board and Committees thereof. Evaluation results were discussed in the Board Meeting. The Board was satisfied with the evaluation results that reflected the overall engagement of the Directors individually, the Board and its Committees.

PARTICULARS OF DIRECTORS AND EMPLOYEES

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

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Act, the Directors confirm the following:

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 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 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 that 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 directly report to the Audit Committee. Based on the findings of Internal Auditors, process owners undertake corrective actions in their respective areas. During the year and at the year-end, such controls were tested for adequacy and operating effectiveness and no reportable material weakness or significant deficiency was observed in the design or operations.

RISK MANAGEMENT

During the year, your Company has formulated a Risk Management Policy to assist the Board in:

- Overseeing and approving the Company's enterprise wide risk management framework; and
- Overseeing that all the risks that the organization faces such as strategic, financial, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Company's management systems, organizational structure, processes, standards, code of conduct, and behaviors together form a System that governs how the Company conducts its business and manage the associated risks.

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 organization including determining the degree of risks and suitable steps to be taken to avoid the probable harm.

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, Regulation 23 of the Listing Regulations, applicable Accounting Standards and other applicable laws and regulations.

All new contracts and arrangements that were entered into during the financial year 2015-16 with related parties were on arm's length basis and in the ordinary course of business. The Audit Committee has approved all such contracts and arrangements. The Company has not, during the year, entered into any related party transaction that may have a potential conflict with that of the Company at large. During the year, the Company has not entered into any material related party transactions as specified in Section 188(1) of the Act with any of its related parties. Accordingly, the disclosure of related party transactions as per Section 134(3)(h) of the Act in Form AOC-2 is not applicable. The details of related party transactions of the Company are disclosed in Financial Statement of the Company.

AUDIT COMMITTEE

Composition of the Audit Committee of the Company is in accordance with Section 177 of the Act and the Listing Regulations, consisting of majority of Independent Directors. Composition, role, terms of reference, and details of meetings of the Audit Committee are provided in the Corporate Governance Report annexed to this report. The Board has accepted all the recommendations made by the Audit Committee.

VIGIL MECHANISM

The Company has adopted a "Whistle Blower Policy" (Policy) that has been communicated to all the Directors and employees of the Company through intranet site of the Company. MPS is committed to have highest possible transparency in its operations. The objective of the Company's Whistle Blower Policy is to allow employees an avenue to raise concerns, in line with MPS' commitments to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communications. Employees can, on a confidential basis, report such matters to ombudsman which may lead to incorrect financial reporting, or of serious nature, unlawful, not in line with the Code of Conduct of the Company or amounts to improper conduct. Employees also have access to the Chairman of Audit Committee. The Policy provides complete confidentiality and safeguard of the employees who raises the whistle against such improper conduct.

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 thus, no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ANNUAL RETURN

As per the requirements of Section 92(3) of the Act, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT–9, is attached to this Report as Annexure C.

AUDITORS AND AUDIT REPORTS

Statutory Auditors

M/s. Deloitte Haskins & Sells, (Deloitte) Chartered Accountants, are the Statutory Auditors of the Company since more than 10 years. They would hold the office of Statutory Auditors of the Company till the conclusion of the ensuing Annual General Meeting. In terms of requirements of Section 139 of the Act read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, relating to the rotation of the Statutory Auditors, your Company proposed to appoint M/s BSR & Co. LLP (firm registration no.101248W/W-100022) as the Statutory Auditors of your Company for a term of 5 years commencing from the conclusion of the ensuing Annual General Meeting till the conclusion of the 51st Annual General Meeting of the Company to be held in the calendar year 2021. The Company has received written consent and confirmation from M/s BSR & Co. LLP to the effect that their appointment, if made, would be within the limits prescribed under Section 141 of the Act, and rules framed thereunder and that they satisfy the criteria provided thereunder for the appointment as Statutory Auditors of the Company.

The Audit Report of Deloitte, the Statutory Auditors, on the Financials Statements of the Company for the financial year ended March 31, 2016 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.

During the year under review, the Statutory Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 your Board, during the year, appointed M/s R Sridharan and Associates, Practicing Company Secretaries, as Secretarial Auditors of your Company for the financial year 2015-16. The Secretarial Audit Report, for the financial year 2015-16 prepared by them is annexed to this Report as Annexure D.

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

During the year under review, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

CORPORATE SOCIAL RESPONSIBILITY

Your Company's overarching aspiration to create significant and sustainable societal value, inspired by a vision to sub-serve a larger national purpose and abide by the strong value of trusteeship, is manifested in its CSR initiatives that embrace the most disadvantaged sections of society, especially in rural India. The CSR initiatives undertaken by the Company includes imparting primary high-quality education to out-of-school under privileged girls, imparting computer educations to underprivileged children and building intellect and instill higher values of life through education.

In terms of the provisions of Section 135 of the Act, and the Companies (Corporate Social Responsibility) Rules, 2014, as amended, the details of the CSR Projects undertaken by the Company during the year are detailed in **Annexure E**. Your Company has devised proper system to monitor the CSR activities as per its CSR Policy.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations 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 Act, 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 ₹223.87 crores as against ₹202.97 crores for the previous year ended March 31, 2015. Foreign exchange outgo was ₹14.82 crores as against the previous year of ₹12 crores. Thus, the net foreign exchange earned by the Company during the year ended March 31, 2016 was ₹209.05 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, 2016.

CORPORATE GOVERNANCE

Your Directors reaffirm their continued commitment to good Corporate Governance practices. Your Company fully adheres to the standards set out by the Securities and Exchange Board of India for Corporate Governance practices that lays strong emphasis on integrity, transparency and overall accountability.

As stipulated under Regulation 34 of the Listing Regulations, 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 is annexed to this Report.

SIGNIFICANT DEVELOPMENTS AFTER THE CLOSE OF THE FINANCIAL YEAR

Except the events disclosed elsewhere in the Annual Report, no significant change or development which could affect the Company's financial position, have occurred between the end of the financial year and the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY ANY REGULATORS OR COURT

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

APPRECIATION

Your Directors wish to place on record their sincere appreciation for the contributions made by the Company's employees at all level. The Board also thanks its members, customers, vendors, government, banks and all other business associates for their continuous support.

For and on behalf of the Board of Directors

Place: Gurgaon
Date: May 17, 2016

Nishith Arora
Executive Chairman

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 B 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 2015-16, percentage increase in remuneration of Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2015-16:

Sl. No.	Name of Executive Director / KMP	Designation	Percentage increase in Remuneration from previous year	Ratio of Remuneration of each Director to median remuneration of employees#
1	Nishith Arora	Executive Chairman & Whole Time Director	Nil	28:1
2	Rahul Arora*	CEO & Whole Time Director	119%	43:1
3	Yamini Tandon**	Non-Executive Director	Nil	1.25:1
4	Sunit Malhotra	Chief Financial Officer	9%	Not Applicable
5	Hitesh Kumar Jain	DGM- Legal & Company Secretary	7%	Not Applicable

*There was no increase in the remuneration of CEO till September 17, 2015. Post his deputation to US office of the Company w.e.f. September 18, 2015, remuneration was revised. The salary level at US is not comparable to the salary level in India.

**Prorated upto May 08, 2015.

#For the purpose of ratios, the PLB payable for the respective financial year has been considered in the same financial year. Median Annual Remuneration for the financial year 2015-16 was ₹232,584/-

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

(i) **Increase in Median Remuneration:**
There was no increase in the Median Annual Remuneration of employees in the financial year 2015-16.

(ii) **Permanent Employees:**
The Company had 2877 permanent employees on its rolls on standalone basis as on March 31, 2016.

(iii) **Relationship between average increase in remuneration and Company performance during the financial year 2015-16:**
For the financial year 2015-16, Profit Before Tax of the Company (without considering Exceptional Item) increased by 28% as compared to an average increase in employee's remuneration of 7.38%. While considering increase in employee's remuneration, the financial performance, performance of the individual employee, industry benchmarking, and inflation level has been considered.

(iv) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company during the financial year 2015-16:**
For the financial year 2015-16, Profit Before Tax of the Company (without considering Exceptional item) increased by 28%. Remuneration of the senior employees, including Key Managerial Personnel includes Performance Linked Bonus (PLB) payable on an annual basis. The PLB pay-out is decided on the basis of the actual performance of the Company as a whole and individual performance of the concerned employee.

(v) **Variation in Market Capitalization and Price Earnings Ratio:**
The Market Capitalization of the Company as on March 31, 2016 was ₹1,230 crores as compared to ₹1,759 crores as on March 31, 2015. The Price Earnings Ratio of the Company was 17.44 as on March 31, 2016 in comparison to 27.10 as on March 31, 2015. Currently the Company's equity shares are listed at NSE and BSE. The closing price of the Company's shares as on March 31, 2016 at NSE was ₹660.70 per equity share and at BSE was ₹660.75 per equity share. Equity shares of the Company were listed at NSE and BSE through Direct Listing process.

(vi) **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 exceptional circumstances, if any, for increase in the managerial remuneration:**
During the financial year 2015-16, average increase in the remuneration of employees was 7.38%, while there was no increase in the average managerial remuneration from the previous year.

(vii) **Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company during the financial year 2015-16:**
Performance of the Company during the financial year 2015-16 has improved as compared to the financial year 2014-15. During the financial year 2015-16, revenue of the Company has

increased by 13.36% and Profit Before Tax has increased by 28%.

The increase in remuneration of the CFO during the year by 9% and for DCM – Legal & Company Secretary by 7% is in line with the average increase in salary of other employees and is based on their performance.

In case of CEO, there was no increase in remuneration till September 18, 2015. The increase in his salary thereafter is because of his deputation to the US.

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

The Executive Directors are entitled to Performance Linked Bonus (PLB). The key parameters as per Company's PLB Policy for determining the pay-out are as follows:

a. Company's overall performance determines the total PLB payout 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 pay-out 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 is considered for PLB pay-out calculations.

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

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

Weightage has been given to the above four indicators based on the performance of each operating division. The weightage is normalized based on the revenue. The dominant factor used for determining the amounts is the overall performance of the Company.

The overall performance of the Company has been pegged at 90.17% for the PLB pay-out to the eligible Directors for the financial year 2015-16.

Non-Executive Independent Directors are paid sitting fees and commission on net profit.

(ix) **During the financial year 2015-16 no employee received remuneration in excess of highest paid Director.**

(x) **The Company affirms that the remuneration to Directors and employees during the financial year 2015-16 is as per its Remuneration Policy.**

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

1. During the financial year 2015-16 no employee other than the CEO, received remuneration in excess of sixty lakh rupees per annum while working for the whole year or five lakh rupees per month while working for a part of the year.

2. During the financial year 2015-16 no employee of the Company, resident in India, posted and working in a country outside India, not being Directors or their relatives, had drawn more than sixty lakh rupees per year or five lakh rupees per month.

For and on behalf of the Board of Directors

Place: Gurgaon
Date: May 17, 2016

Nishith Arora
Executive Chairman

Form MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2016

[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	92.43%

#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 31/03/2016	Applicable Section
1	ADI BPO Services Limited	B-102, Queens Court, E-Block, Greater Kailash-II, 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 01.04.2015)				No. of shares held at the end of the year (as on 31.03.2016)				% 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	67.77	12616996	-	12616996	67.77	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	12616996	-	12616996	67.77	12616996	-	12616996	67.77	-
(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**	**67.77**	**12616996**	**-**	**12616996**	**67.77**	**-**
B.	**Public Shareholding**	-	-	-	-	-	-	-	-	-
(1)	Institutions									
(a)	Mutual Funds	1048639	-	1048639	5.63	950093	-	950093	5.10	-0.53
(b)	Banks / FI	5165	-	5165	0.03	4328	-	4328	0.02	-0.01
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIIs	855455	-	855455	4.60	122502	-	122502	0.66	-3.94
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(j)	Any Other									
	Foreign Portfolio Investors (Corporate) Category II	-	-	-	-	861836	-	861836	4.63	4.63

	Category of Shareholders	No. of shares held at the beginning of the year (as on 01.04.2015)				No. of shares held at the end of the year (as on 31.03.2016)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Foreign Portfolio Investor (Corporate) Category III	-	-	-	-	13828	-	13828	0.07	0.07
	Sub- Total (B)(1)	1909259	-	1909259	10.26	1952587	-	1952587	10.49	0.23
2.	Non- Institutions									
(a)	Bodies Corporate									
(i)	Indian	334438	-	334438	1.80	362605	-	362605	1.95	0.15
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
I	Individual shareholders holding nominal share capital up to ₹1 lakh	2157455	27520	2184975	11.74	2262443	26665	2289108	12.30	0.56
Ii	Individual shareholders holding nominal share capital in excess of ₹1 lakh	985834	-	985834	5.30	734331	-	734331	3.94	-1.35
(c)	Others (specify)									
	Directors and Relatives	9731	-	9731	0.05	9731	-	9731	0.05	-
	Non-Resident Indians	207461	-	207461	1.11	291570	-	291570	1.57	0.45
	Hindu Undivided Family	349906	-	349906	1.88	353142	-	353142	1.90	0.02
	Foreign National	425	-	425	-	1000	-	1000	0.01	0.00
	Clearing Members	17901	-	17901	0.09	5856	-	5856	0.03	-0.06
	Sub- Total (B)(2)	**4063151**	**27520**	**4090671**	**21.97**	**4020678**	**26665**	**4047343**	**21.74**	**-0.23**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**5972410**	**27520**	**5999930**	**32.23**	**5973265**	**26665**	**5999930**	**32.23**	**0.00**
(C)	**Shares held by Custodian for GDRs and ADRs**	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**18589406**	**27520**	**18616926**	**100**	**18590261**	**26665**	**18616926**	**100**	**0.00**

(ii) SHAREHOLDING OF PROMOTERS

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2015)			Shareholding at the end of the year (as on 31.03.2016)			% 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	67.77	NIL	12616996	67.77	NIL	-
	Total	**12616996**	**67.77**	**NIL**	**12616996**	**67.77**	**NIL**	**-**

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.		Shareholding at the beginning of the year (as on 01.04.2015)		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	67.77	12616996	67.77
	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 31.03.2016)			12616996	67.77

(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 (01.04.2015 – 31.03.2016)		Change in no. of shares during the year			Cumulative Shareholding during the year / at the end of the year (31.03.2016)	
		No. of shares	% of total shares of the Company	Date	Change (Purchase/ Sale)	No. of shares	No. of shares	% of total shares of the Company
1	HDFC Trustee Company Limited - HDFC Prudence Fund / HDFC Trustee Company Ltd - HDFC Core and Satellite fund	897129	4.81					
				26.06.2015	Sale	10000	887129	4.76
				24.07.2015	Sale	15300	871829	4.68
				31.07.2015	Sale	40700	831129	4.46
							831129	4.46

Sl. No.	Name of Shareholder	Shareholding at the beginning (01.04.2015 – 31.03.2016)		Change in no. of shares during the year			Cumulative Shareholding during the year / at the end of the year (31.03.2016)	
		No. of shares	% of total shares of the Company	Date	Change (Purchase/ Sale)	No. of shares	No. of shares	% of total shares of the Company
2.	Goldman Sachs India Fund Limited	560961	3.01					
				05.06.2015	Purchase	11158	572119	3.07
				12.06.2015	Purchase	7975	580094	3.12
				19.06.2015	Purchase	5675	585769	3.14
				26.06.2015	Purchase	13979	599748	3.22
				30.06.2015	Purchase	402	600150	3.22
				31.07.2015	Purchase	31589	631739	3.39
							631739	3.39
3	Ramesh S Damani	150000	0.81					
							150000	0.81
4	Dileep Moreshwar Wagle / Dileep Wagle	150000	0.81					
							150000	0.81
5	Long Term India Fund	114304	0.61					
				31.12.2015	Sale	4904	109400	0.59
				01.01.2016	Sale	4900	104500	0.56
							104500	0.56
6	Goldman Sachs Trust-Goldman Sachs Emerging Markets Equity Fund	79139	0.43					
				09.10.2015	Purchase	8627	87766	0.47
				16.10.2015	Purchase	8878	96644	0.52
				30.10.2015	Purchase	9977	106621	0.57
							106621	0.57
7	Tata Trustee Company Ltd A/C Tata Mutual Fund A/C Tata Dividend Yield Fund	67019	0.36					
							67019	0.36

Sl. No.	Name of Shareholder	Shareholding at the beginning (01.04.2015 – 31.03.2016)		Change in no. of shares during the year			Cumulative Shareholding during the year / at the end of the year (31.03.2016)	
		No. of shares	% of total shares of the Company	Date	Change (Purchase/ Sale)	No. of shares	No. of shares	% of total shares of the Company
8	Vinay Purushottam Karve	56000	0.30					
				14.08.2015	Sale	667	55333	0.30
				21.08.2015	Sale	5670	49663	0.27
				28.08.2015	Sale	2928	46735	0.25
				11.09.2015	Sale	1740	44995	0.24
				18.09.2015	Sale	2044	42951	0.23
				25.09.2015	Sale	9250	33701	0.18
				30.09.2015	Sale	3701	30000	0.16
				09.10.2015	Sale	15044	14956	0.08
				16.10.2015	Sale	4956	10000	0.05
				23.10.2015	Sale	4000	6000	0.03
				30.10.2015	Sale	1000	5000	0.03
				20.11.2015	Sale	77	4923	0.03
				04.12.2015	Sale	4923	0	0.00
				29.01.2016	Purchase	100	100	0.00
							100	0.00
9	Mukul Mahavir Prasad Agrawal	55001	0.30					
				24.07.2015	Sale	6571	48430	0.26
				31.07.2015	Sale	12626	35804	0.19
				07.08.2015	Sale	15937	19867	0.11
				14.08.2015	Sale	10867	9000	0.05
				11.09.2015	Sale	9000	0	0.00
							0	0.00
10	Nitin Tandon	51000	0.27					
							51000	0.27

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.	Name of Director/ KMP	Shareholding at the beginning of the year (as on 01.04.2015)		Change in no. of shares during the year			Cumulative Shareholding during the year / at the end of the year (31.03.2016)	
		No. of shares	% of total shares of the Company	Date	Change (Purchase/ Sale)	No. of shares	No. of shares	% of total shares of the Company
A.	Directors							
1	Nishith Arora (Executive Chairman & Whole Time 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	0.05	-	-	-	9731	0.05
4	Ashish Dalal (Independent Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Rahul Arora (Whole Time Director & CEO)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Yamini Tandon* (Non-Executive Director)	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)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

*Resigned as Whole Time Director w.e.f. May 08, 2015. Appointed as Non-Executive Director w.e.f. August 03, 2015.

V. INDEBTEDNESS

The Company has not availed any term loan from any bank / financial institution during the financial year 2015-16 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 (Executive Chairman & WTD)	Rahul Arora (WTD & CEO)#	Yamini Tandon (WTD) (till 08.05.2015)	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	102.47	28.68	6.55	**137.70**
	(b) Value of perquisites under Section 17(2) of Income-Tax Act,1961	5.30			**5.30**
	(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)	**107.77**	**28.68**	**6.55**	**196.78**
	Ceiling as per the Act	₹1070.70 lacs (being 10% of the net profits of the Company for the year ended March 31, 2016 computed as per Section 198 of the Companies Act, 2013.)			

#Does not Includes remuneration of ₹53.78 lacs paid in US post his deputation to US office from September 18, 2015 till March 31, 2016

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	7.60	3.60	8.20	**19.40**
	Commission#	18.53	15.89	21.18	**55.60**
	Others, please specify	-	-	-	-
	Total (B)	**26.13**	**19.49**	**29.38**	**75.00**
	Ceiling as per the Act	Ceiling for the commission is ₹107.1 lacs (being 1% of the net profits of the Company for the year ended March 31, 2016 computed as per Section 198 of the Companies Act, 2013.)			
	Total Managerial Remuneration (A+B)	271.78			
	Overall Ceiling as per the Act	₹1177.77 lacs (being 11% of the net profits of the Company for the year ended March 31, 2016 computed as per Section 198 of the Companies Act, 2013.)			

#Commission pertains to the previous year, paid during the financial year 2015-16.

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
			Hitesh Kumar Jain	Sunit Malhotra	
1	Gross salary	Covered under point VI (A) (in WTD)			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961		16.76	35.94	52.70
	(b) Value of perquisites under Section 17(2) of Income-Tax Act, 1961		0.32	0.40	0.72
	(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		17.08	36.34	53.42

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

Place: Gurgaon
Date: May 17, 2016

Nishith Arora
Executive Chairman

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[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, 2016 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, 2016 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 Overseas Direct Investment. The Company has not received any Foreign Direct Investment and obtained any 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 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  c) During the year under review the Company has not issued any new securities mandating compliance of the provisions of 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 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) During the year under review, the Company has not delisted its Securities from any of the Stock Exchanges in which it is listed and hence the compliance of the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 is not applicable; 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, 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 / regulations of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India applicable with effect from 1st July, 2015.

(ii) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited and the Uniform Listing Agreement entered with the said stock exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Listing Regulations (applicable with effect from 1st December, 2015).

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 Directors and 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 Act.

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 meeting of committee convened through video conferencing was 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 consent of the Board of Directors / Committee Members and no Director / Member dissented on the decisions taken at such Board / Committee Meeting. Further, in the minutes of the General Meeting, the members who voted against the resolution(s) have been recorded.

We further report that based on review of compliance mechanism established by the Company and on basis of the Compliance certificates issued by the Executive Chairman and Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws.

We further report that there were no specific events having major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines and standards during the period under review.

Place: CHENNAI
Date: May 17, 2016

For R.SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

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

This report is to be read with our letter of even date which is annexed as **ANNEXURE 1** and forms an integral part of this report

'Annexure 1'

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 records 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. Wherever 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.

Place: CHENNAI
Date: May 17, 2016

For R.SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

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

Annexure E ANNUAL REPORT ON CSR ACTIVITIES OF MPS LIMITED DURING THE YEAR ENDED MARCH 31, 2016.

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:**

   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.

   Company undertakes the CSR activities as specified under Schedule VII of the Companies Act, 2013 and as per its CSR policy.

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

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

   During the year, the Company has undertaken the following CSR Projects:

   A. **Girls Education Project:**

   Your company has undertaken '**MPS Limited - Girls Education Project**' in association with IIMPACT, a non-profit making organization, 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 this Project MPS adopts teaching schools, called '**Learning Centers**' wherein Company covers the running cost of these Learning Centers such as teachers and other staff salaries, training, teaching and learning materials. Girl's education is one of the most effective ways for ending poverty in developing nations.

   With community mobilization and sustainability as the guiding parameters, aim is to:

   a. Enhance enrollment and retention of girls through individual tracking, community mobilization and quality improvement.

b. Reduce gender disparity in schools and project areas, and improve the level of life skills and competency of the girl child.

c. Ensure increased participation of children, families and communities in plans and actions for holistic education.

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.

With a deep realization that education is the only tool with which a girl or a women can empower herself and eventually her family, MPS is enabling about 3000 girls by supporting 100 Learning Centers wherein they get quality primary education. These Learning Centers are primarily in Dehradun, Haridwar, Rudra Prayag & Uttarkashi in Uttarakhand; Sirmaur in Himachal Pradesh, Mewat in Haryana & Bundi in Rajasthan.

Teachers Training:

An education system that aims to offer a quality education for children of tender age should be able to count on teachers who are trained and adequately paid. Further, they should be capable of independently following the evolving processes and structure of knowledge, and have necessary competencies to take into account the growing interdependencies at both state and local levels that impact on Learning Centers. With this objective, teachers training were organized on quarterly basis at various Learning Centers. The main attention in these training was on:

- to give subjective training on the course contents;
- to teach the effective story telling techniques;
- to train the teachers for an interactive and joyful teaching so as to increase the interaction of children in the class rooms;
- to give students an insight of health & hygiene, healthy diet and the types of nutrition that is beneficial for them.

The Company's contributions to this Project are in accordance with the requirements of Schedule VII to the Companies Act, 2013. The Company had contributed an amount of ₹91 lacs towards this Project during the financial year 2015-16 as compared to ₹63.31 lacs in the previous year.

B. Imparting Higher Values of Life through education:

During the year, the Company undertook the project of 'Imparting Higher Values of Life' in youths through educational programs and lectures. For this Project, the Company associated with Vedanta Cultural Foundation (VCF). VCF is a public charitable trust registered under the provisions of the Bombay Public Trust Act, 1950, established in 1976 by renowned philosopher Mr. A. Parthasarathy. VCF runs Vedanta Academy in Malavli, near Pune, Maharashtra, India which is a unique educational institution designed to build the intellect and instill higher values of life, education, research, welfare, healthcare, agriculture, horticulture etc.

VCF conducts various educational programs (on tuition-free basis) in its Vedanta Academy such as three year full-time residential course on self-development for young men and women focusing on strengthening the intellect; Short-term courses, youth camps and retreats for professionals and youngsters; educational programmes specially designed to meet the needs of schools, colleges, public and private sector organization and social service entities on human development; weekly study classes on various subjects aimed at the overall development of human beings; public lectures to all sections of society to disseminate education on human values.

Students from diverse nationalities, cultural and religious backgrounds attend these programs / courses and VCF provides them boarding, lodging, tuition and domiciliary, medical aid free of charge.

Ministry of Science and Technology has recognized VCF as a Scientific and Industrial Research Organization.

The Company's contribution to this Project is in accordance with the requirements of Schedule VII to the Companies Act, 2013. The Company had contributed an amount of ₹10 lacs towards this Project during the financial year 2015-16.

C. Computer Education:

During the year, the Company associated itself with one more educational project for providing free 'Computer Education' to the children of underprivileged society. For this project, the Company associated with Computer Shiksha, a charitable trust, engaged, inter-alia, in imparting free computer education to underprivileged students. It is a nonpolitical and nonreligious Trust, established with the objectives of inter-alia, imparting computer educations to underprivileged children, establishing public library etc.

Computer Shiksha is providing free computer education to approximately 1200 children, imparting skills to more than 250 children of Grade XII with the objective of making them more employable and empowering the girl child

MPS has adopted Node 2 of the Computer Shiksha running in the municipal schools of Gurgaon, wherein the company meets the expenses of providing free computer education to students belonging to marginalised community.

The Company's contribution to this Project is in accordance with the requirements of Schedule VII to the Companies Act, 2013. The Company had contributed an amount of ₹4.08 lacs towards this Project during the financial year 2015-16.

2. Composition of Corporate Social Responsibility Committee:

   Mr. Nishith Arora, (Chairman)
   Mr. Vijay Sood, (Independent Director)
   Mr. Rahul Arora, (Whole Time Director & CEO)

3. Average net profit of the Company for last three financial years: ₹6,409.88 lacs.

4. Prescribed CSR Expenditure (two percent of the amount mentioned in point 3 above): ₹128.20 lacs.

5. Details of CSR spent during the financial year:

   (i) Amount spent during the financial year 2015-16: ₹105.08 lacs

   (ii) Amount unspent, during the financial year 2015-16: ₹23.12 lacs

   (iii) Reason for amount unspent as (ii) above:

   The CSR Committee and the Board of your Company has allocated a total of ₹128.20 lacs towards CSR Activities. Out of this the Company had allocated a sum of ₹25 lacs towards the website automation at IIMPACT and other CSR activities, which could not be materialized during the financial year 2015-16.

   (iv) Manner in which amount on CSR activities spent is detailed as under:

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 were 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.	₹91,000/- per Learning Center per annum.	Direct Expense: ₹91 lacs on 100 Learning Centers. Overheads: Nil	91 lacs	Through implementing agency: IIMPACT
2	Imparting **High Values of Life** in youths through educational program and lecture	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 Maharashtra and other various locations in India.	₹10 lacs	Direct Expense: ₹10 lacs Overheads: Nil	₹10 lacs	Through implementing agency: Vedanta Cultural Foundation

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 were 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
3	Imparting free '**Computer Education**' to underprivileged students	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 Gurgaon.	₹81,500 per month for Node 2	Direct Expense: ₹4.08 lacs Overheads: Nil	₹4.08 lacs	Through implementing agency: Computer Shiksha
	TOTAL	-	-	-	105.08 lacs	105.08 lacs	-

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

Nishith Arora
(Chairman - CSR Committee)

Rahul Arora
Chief Executive Officer

Date: May 17, 2016
Place: Gurgaon

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

1. Specific areas in which R & D was carried out by the Company	■ Workflow management and tracking Solutions ■ Review process and leveraging technology to build review systems ■ Content delivery systems ■ Web application security ■ Content management solutions ■ Further customization of MPSTrak (workflow management system) for customer specific requirements ■ Ad hoc Reports ■ Integration with SAP, RightsLink, FundRef, ORCID, Alfresco, and Documentum ■ Front end Testing using Protractor ■ Angular JS development ■ Gherkins ■ HTML5/CSS based auto composition ■ Automated quality checking tools for the composition/PDF output ■ Optimization of production process and workflow ■ 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 with lean workflow
3. Future plan of action	■ Enhancing DigiCore platform as per project roadmap ■ HTML5 based composition system with automated quality tools ■ Further leverage HTML5 for providing enhanced experience and powering interactive products ■ Migration to AngularJS ■ 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

Technology absorption, Adaptation and Innovation.

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 IS 27001 ■ Implementation of application security processes
Future plan of action	■ Tangible benefits to clients in terms of reducing time to publish and increasing productivity ■ More secured and scalable products ■ 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

For and on behalf of the Board of Directors

Place: Gurgaon
Date: May 17, 2016

Nishith Arora
Executive Chairman

MPS PHILOSOPHY ON CODE OF GOVERNANCE

Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values, credo, and actions of its employees. Transparency and Accountability are the fundamental principles to sound Corporate Governance, which ensures that the organization is managed and monitored in a responsible manner for creating and sharing value. Framework of Corporate Governance depends on legal, regulatory, institutional, and ethical environment of the community, which includes a combination of laws, regulations, procedures, implicit rules, and voluntary practices that enable organizations to perform efficiently and effectively, thereby maximize long-term value for the shareholders, while ensuring fairness to all stakeholders. In addition to compliance with regulatory requirements, MPS Limited (MPS or Company) endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organization in all its dealings with the shareholders, employees, government, and other parties. MPS is committed to set the highest standards of Corporate Governance since its inception benchmarked with the best-class practices across the globe.

BOARD OF DIRECTORS

The Board of Directors (the **Board**) of MPS plays a pivotal role in maintaining the good Corporate Governance Standards of the Company. The Board in its conduct fosters a culture of good decision making by meeting the expectations of operational transparency to the stakeholders while at the same time maintaining sufficient confidentiality of unpublished price sensitive information. The Board of the Company reviews corporate strategy, governance practices, annual budgets, operational performance, acquisitions, etc. The Board has also laid down the Code of Ethics and Standards specifying the duties of the members of the Board and senior management to be followed by them in their conduct.

Composition

The Board of the Company is an optimum combination of Executive, Non-Executive and Independent Directors. As on March 31, 2016, the Board consists of six directors viz. the Executive Chairman, entrusted with the main responsibility of providing insight to other Executive Director in the proper functioning of the management and focus on inorganic growth of the Company; the other Whole Time Director who is also the Chief Executive Officer of the Company – concentrating on business growth; one Woman Non-Executive Director, having expertise in specific functional areas of the Company; and three Independent Directors who are eminent professionals with experience in business, finance, and law.

The composition of the Board, as on the date of this report, is in conformity with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **Listing Regulations**). The Whole Time Directors and woman Director of the Company are subject to retirement by rotation.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all 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, 2016 is given below:

Director's Name and 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[3] Executive Chairman	Executive (Whole Time Director) & Promoter	Nil	1	Nil	Nil
Mr. D E Udwadia Vice Chairman	Non-Executive, Independent	1	7	1	6
Mr. Ashish Dalal	Non-Executive, Independent	Nil	Nil	Nil	Nil
Mr. Vijay Sood	Non-Executive, Independent	Nil	2	Nil	1
Mr. Rahul Arora	Executive (Whole Time Director) & CEO	Nil	1	Nil	Nil
Ms. Yamini Tandon[4]	Non – Executive	Nil	Nil	Nil	Nil

[1]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 Regulation 26 of Listing Regulations, includes Membership(s) / Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies (excluding that of the Company).

[3]Resigned as Managing Director and appointed as Whole Time Director w.e.f. May 25, 2015.

[4]Resigned as Whole Time Director w.e.f. May 08, 2015. Appointed as Non – Executive Director w.e.f. August 03, 2015.

Mr. Nishith Arora is the father of Mr. Rahul Arora and father-in-law of Ms. Yamini Tandon. Mr. Rahul Arora is the husband of Ms. Yamini Tandon. None of the Independent Directors are related to any other Director or promoters of the Company.

Independent Directors

The appointment of Independent Directors are in conformity with the requirements of Schedule IV to the Companies Act, 2013 and Regulation 17 of the Listing Regulations. Terms and conditions of their appointment have been disseminated on the website of the Company at **http://www.adi-mps.com/Policies/Terms-and-Conditions-of-Independent-Directors.pdf.**

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 participation at the meetings of Board of Directors and Committee(s) thereof. They provide their expert advice and guidance to the Board in the proper discharge of the Board functions.

Independent Directors have confirmed that they satisfy the "criteria of independence" as specified in Listing Regulations. None of the Independent Directors is related to the promoter or other Director of the Company. None of them serves as an Independent Director in more than seven listed companies and in case 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.

Familiarization Programme for Independent Directors

Independent Directors of the Company, through various presentations given by the CEO and Key Executives / Personnel, are updated about the Company's services, operational highlights including that of subsidiary, major clients, competitors, strengths, threats perceived, technologies being used, new innovations for further improvement in Company's offerings, industry analysis globally, annual budgets, financials, cash flows, deployment of surplus funds in investments, change in major shareholders, material litigations, compliance status, forex exposures, brief of new / changes in existing laws, rules, regulations, and standards and their applicability on the Company, the steps taken / being taken by the Company for the proper compliance thereof, organization structure, development in human resources, roles and responsibilities of Directors, etc.

Details of such familiarization programmes conducted during the financial year 2015-16 are posted on the website of the Company at http://www.adi-mps.com/Policies/MPS-Familiarization-Programme.pdf.

Separate Meeting of Independent Directors

During the financial year 2015-16, a separate meeting of Independent Directors was held on January 27, 2016 without the presence of Executive Directors and members of management. Independent Directors reviewed the performance of Executive Directors, the Chairman, the Board, and the committees thereof. Independent Directors also reviewed the quality, quantity and timeliness of information being provided to the Board for their proper and fruitful deliberations at the meetings. Views of the Independent Directors are communicated to the Board.

Board Process and Meetings

The meetings of the Board are convened by giving appropriate notice along with agenda 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 practical 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. As per Listing Regulations, the Board, at its meetings, reviews annual operating plans and budgets, financials, declaration of dividends, minutes of all the committees of the Board, information related to appointment of senior officers, any show-cause notices, demands, penalties, status of material litigations, acquisition/disinvestment proposals, forex exposures, compliances with all applicable regulatory requirements, etc. apart from other matters that require Board approvals. Agenda items for the Board Meetings are selected and decided after inviting the requirements of all the business units and functional divisions, accessing the legal requirements and thereafter discussion with the Chief Executive Officer and the Chairman. 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. Where any of the Directors is not able to attend the Board Meeting physically, on their confirmation, facilities are provided to attend the meeting through audio-video conferencing and the applicable procedures specified under 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.

Draft minutes of the meetings are prepared and circulated to all the Directors within 15 days from the conclusion of 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. Certified copies of the signed minutes are provided to the Board members.

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

During the financial year 2015-16, the Board met 4 times on May 25, 2015, July 20, 2015, October 26, 2015 and January 27, 2016. The maximum time gap between the two consecutive Board Meetings never exceeded 120 days.

Directors	Mr. Nishith Arora	Mr. D. E. Udwadia	Mr. Ashish Dalal	Mr. Vijay Sood	Mr. Rahul Arora	Ms. Yamini Tandon*
No. of Meetings held	4	4	4	4	4	4
No. of Meetings Attended	4	4	3	4	4	2
Attended last AGM held on July 20, 2015	Yes	Yes	Yes	Yes	Yes	Not Applicable

*Resigned as Whole Time Director w.e.f. May 08, 2015. Appointed as Non –Executive Director w.e.f. August 03, 2015.

DIRECTORS' INTEREST IN THE COMPANY

Shareholding of Directors as on March 31, 2016:

Directors	Mr. Nishith Arora	Mr. D. E. Udwadia	Mr. Ashish Dalal	Mr. Vijay Sood	Mr. Rahul Arora	Ms. Yamini Tandon
No. of Shares held	Nil	Nil	Nil	9731	Nil	Nil

BOARD COMMITTEES

Various statutory and non-statutory committees are constituted by the Board. The Board has the powers to constitute other functional committees as and when it is required. All the process and guidelines applicable and followed by the Board are also applicable and followed by the Committees.

Statutory Committees of MPS:

(a) AUDIT COMMITTEE

As on the date of this Report, the Audit Committee of the Board meets the requirements of Sections 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations relating to composition, powers, roles, and terms of reference. The Audit Committee provides assurance related to the adequacy of internal control systems and financial disclosures, to the Board.

The role of the Audit Committee, inter alia, includes the following:

- examination and overseeing of company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;
- reviewing, with the management, the annual and quarterly financial statements and auditor's report thereon before submission to the Board for approval;
- 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;
- approving payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing the application of funds raised through public issue, rights issue, preferential issue, etc. and related matters;
- approving or any subsequent modification of transactions of the Company with related parties;
- scrutinizing inter-corporate loans and investments;
- approving the valuation of undertakings or assets of the Company, whenever it is necessary;
- reviewing the Internal Audit Report;
- reviewing and evaluating internal financial controls, adequacy of the internal control and risk management systems;
- discussion with internal auditors of any significant findings and follow up thereon;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- reviewing the functioning of the Whistle Blower Mechanism;
- to look into reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
- approving appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.

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.

Composition, Committee Meetings, and Attendance

During the financial year 2015-16, the Audit Committee met four times on May 25, 2015, July 20, 2015, October 26, 2015 and January 27, 2016. 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 2015-16, are given below:

Members	Mr. Vijay Sood	Mr. D. E. Udwadia	Mr. Nishith Arora
Position and Category	Chairman– Non-Executive Independent Director	Member - Non-Executive Independent Director	Member - Executive Director
No. of Meetings held	4	4	4
No. of Meetings Attended	4	4	4

The Company Secretary acts as Secretary to the Audit Committee. CFO and Finance Controller are permanent invitees to the Audit Committee Meetings. Statutory Auditor, Internal Auditor, and other Senior Management personnel of the Company, as and when required, are invited to the meeting(s) of the Audit Committee.

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

(b) NOMINATION AND REMUNERATION COMMITTEE

As on the date of this Report, 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 Regulation 19 of the Listing Regulations.

Role of 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 Directors, the Board, and the Committee thereof;
- 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 as Key Managerial Personnel in accordance with the criteria laid down and recommending to the Board their appointment, removal, and other terms as may be referred to by the Board from time to time.

Composition, Committee Meetings, and Attendance

During the financial year 2015-16, the Nomination and Remuneration Committee met on May 25, 2015. All the members attended the meeting.

The composition and the attendance of members at the Nomination and Remuneration Committee meeting held during the financial year 2015-16, are given below:

Members	Mr. D E Udwadia	Mr. Vijay Sood	Mr. Ashish Dalal	Mr. Nishith Arora
Position and Category	Chairman - Non-Executive Independent Director	Member - Non-Executive Independent Director	Member - Non-Executive Independent Director	Member - Executive Director
No. of Meetings held	1	1	1	1
No. of Meetings Attended	1	1	1	1

Remuneration Policy

On the recommendation of the Nomination and Remuneration Committee, the Board has approved the Remuneration Policy of the Company. The Company's remuneration policy is aimed at

- identifying persons who are qualified to become Directors and persons who may be appointed at 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.

Remuneration to the Non-Executive Independent Directors are paid in accordance with the provisions of the Articles of Association of the Company and within the limits set out in the Companies Act, 2013. The remuneration to Key Managerial Personnel has a balance between fixed and performance based incentives. Approval of the shareholders for the payment of remuneration to Executive and Non-Executive Independent Directors are obtained, wherever required.

The Remuneration policy of the Company is annexed to the Directors' Report, forming part of the Annual Report. Criteria for making payments to the Non-Executive Directors has been disseminated on the website of the Company at **http://www.adi-mps.com/Policies/Criteria-of-making-Payment-to-Non-Executive-Directors.pdf.**

Directors' Performance Evaluation Policy

Nomination and Remuneration Committee has laid down the standard 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. Each Director is required to participate in the evaluation process, except the one being evaluated. Directors are given a set of questionnaire to be answered by them. Entire evaluation process is kept confidential. Evaluation report is forwarded to the Chairman of the Board for discussion at Board level. Evaluation process is a constructive mechanism to improve the effectiveness of the Board as a whole and the Committees thereof.

Directors' Remuneration during the financial year 2015-16

Directors	Mr. Nishith Arora[1]	Mr. D. E. Udwadia[2]	Mr. Ashish Dalal	Mr. Vijay Sood	Mr. Rahul Arora	Ms. Yamini Tandon[3]
Business Relationship with the Company, if any	Promoter & Director of holding company, ADI BPO Services Limited[4]	Nil	Nil	Nil	Director of holding company, ADI BPO Services Limited[4]	Nil
Remuneration during the year ended March 31, 2016 (in Rupees lacs)						
Sitting Fees	Nil	7.60	3.60	8.20	Nil	Nil
Salary and Perks	69.09[5]	Nil	Nil	Nil	108.35[5]	3.04[5]
Commission (Paid during the year and pertains to previous financial year)	Nil	18.53	15.89	21.18	Nil	Nil
Total	69.09	26.13	19.49	29.38	108.35	3.04
Severance/ Notice Period	90 days 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	-

[1] Mr. Nishith Arora resigned as Managing Director and appointed as Whole Time Director w.e.f. May 25, 2015. He continues to be the Executive Chairman.

[2] During the year ended March 31, 2016, the Company paid ₹1.09 lacs to the law firm M/s Udwadia & Co. as fees for professional services (legal advice) obtained by the Company. 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.

[3] Ms. Yamini Tandon resigned as Whole Time Director with effect from May 8, 2015. She was appointed as Non-Executive Director of the Company w.e.f August 03, 2015.

[4] During the year ended March 31, 2016, the Company paid ₹347.97 lacs to ADI BPO Services Limited, the promoter company, wherein Mr. Nishith Arora and Mr. Rahul Arora are the Directors. The above amount represents the rent for Dehradun facility taken on lease.

[5] Remuneration to Executive Directors includes Performance Linked Bonus (PLB) and Annual Bonus provided in accounts for the financial yerar 2015-16, 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 by the Nomination and Remuneration Committee and approved by the Board at 90.17% of the amount as per their respetive contracts. This will be paid during the financial year 2016-17. Gratuity and Leave Salary are not included as these have been accrued on the basis of actuarial valuation for the Company as a whole.

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

(c) STAKEHOLDERS RELATIONSHIP COMMITTEE

As on the date of this Report, the Stakeholders Relationship Committee of the Board fulfills all the applicable requirements of Section 178 of the Companies Act, 2013, rules made thereunder, and the Listing Regulations.

The Committee comprised of two members, Mr. Ashish Dalal, Non-Executive Independent Director as Chairman and Mr. Nishith Arora as member. The Committee primarily, inter-alia, looks into redressing of shareholders' complaints pertaining to transfer/ transmission of shares, non receipt of balance sheet, non receipt of declared dividend, issue of duplicate shares, dematerialization / rematerialization of shares, and other related matters.

During the year under review, one meeting of the Stakeholders Relationship Committee was held on March 28, 2016. All the members attended the meeting.

Compliance Officer

Mr. Hitesh Kumar Jain, DGM – Legal and Company Secretary, is the Compliance Officer for complying with requirements of Securities Laws, Listing Agreement with Stock Exchanges and Listing Regulations. Compliance Officer may be reached at the following address:

C-35, Sector-62, Noida – 201 307,
Uttar Pradesh
Phone 0120-4599754;
Fax no. 0120-4021280
E-mail: **investors@adi-mps.com**

Stakeholders' Grievance Redressal

MPS consistently emphasizes on the redressal of stakeholders' grievances. Details of the complaints received from the shareholders and redressed upto their satisfaction during the financial year 2015-16 is as follows:

No. of complaints pending at the beginning of the financial year i.e. April 1, 2015	NIL
No of complaints received during the financial year	2*
No of complaints resolved during the financial year	2*
Complaints pending at the end of the financial year i.e. March 31, 2016	NIL

*One complaint was not related to the Company.

The Company has designated a separate e-mail ID, **investors@adi-mps.com**, for shareholders to lodge their complaints / queries.

As per the provisions of Regulation 39 (4) of Listing Regulations, the Company does not have any unclaimed shares.

(d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Composition, powers, roles and terms of reference of Corporate Social Responsibility (CSR) Committee are in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder. The Committee consists of three members, Mr. Nishith Arora, Chairman, Mr. Vijay Sood and Mr. Rahul Arora, Members.

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

- 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 program as detailed in 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.

The CSR Committee also monitors the implementation of CSR projects of the Company.

During the year under review, one meeting of the CSR Committee was held on October 26, 2015. All the members attended the meeting.

(e) OTHER NON-STATUTORY COMMITTEES

As on the date of this Report, the Company also has an Investment Committee, which assesses and analyses the Company's investment's proposals and provides its recommendations to the Board.

SUBSIDIARY COMPANY

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

CODE OF CONDUCT

The Board had laid down a Code of Conduct (the Code) for the Director's and senior management personnel of the Company. The Code suitably includes the duties of the Independent Directors as well. The Code is also posted on the website of the Company at **http://www.adi-mps.com/Policies/MPS-Code-of-Conduct.pdf.**

All the Board Members and senior management personnel to whom the Code is applicable have affirmed compliance with the Code as on March 31, 2016.

The Chief Executive Officer has provided the following declaration to this effect:

"The Company had laid down a "Code of Conduct" (Code) 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 the compliance with the Code during the financial year 2015-16 and there has been no instances of violation of the Code."

Rahul Arora
Chief Executive Officer
May 17, 2016

GENERAL BODY MEETINGS

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

Year	Day, Date and Time of Meeting	Venue	Special Resolutions passed
2012-13	Monday, August 5, 2013 Time: 3:00 P.M.	Hotel 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 8, 2014 Time: 10:30 A.M.	Hotel 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 Article 161 of the Articles of Associations of the Company as per Section 14 of the Companies Act 2013.
2014-15	Monday, July 20, 2015 Time: 02:30 P.M.	Raintree Hotels, 636 Anna Salai, Teynampet, Chennai-600035	■ Appointment of Ms. Yamini Tandon to the office or place of profit in the Company's wholly owned subsidiary in U.S.A. ■ Approval of borrowing powers of the Company exceeding the aggregate of the paid-up share capital and free reserves up to ₹150 crores.

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

As per Section 108 of the Companies Act, 2013 read with rules made thereunder, Clause 35B of the Listing Agreement, e-voting facility was provided to the Shareholders of the Company for electronically voting on the resolutions passed at the Annual General Meeting held on July 20, 2015.

During the year, no postal ballot process was conducted. None of the businesses proposed to be transacted at the ensuing Annual General Meeting was required to be transacted through postal ballot.

GENERAL SHAREHOLDERS INFORMATION

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

Date: July 19, 2016 (Tuesday)

Time: 3:00 P.M

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

Date of Book closure: June 28, 2016 (Tuesday) to June 29, 2016 (Wednesday) (both days inclusive).

b. Financial Calendar (Tentative)

financial year: April 1 to March 31

Tentative Calendar for declaration of results for the financial year 2016-17 is given below:

Results for the Quarter/ Year ending	Date of Declaration
June 30, 2016	On or before August 14, 2016
September 30, 2016	On or before November 14, 2016
December 31, 2016	On or before February 14, 2017
March 31, 2017 (Annual Audited)	On or before May 30, 2017

c. Dividend declared during the year

The Company declared three Interim Dividends, aggregating to ₹22 per share, during the year under review, which were paid to the eligible shareholders within a period of 30 days from the date of declaration. The aggregate dividend of ₹22 per share has been recomended by the Board of Director to be confirmed as final dividend for the financial year 2015-16.

Financial Year	Type of Dividend	Dividend per Share (₹)	Date of Declaration	Total Dividend for the financial year (₹ per share)
2015-16	1st Interim Dividend	7	July 20, 2015	22
	2nd Interim Dividend	7	October 26, 2015	
	3rd Interim Dividend	8	January 27, 2016	

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).

Details of Company's scrip code and ISIN no. are as follows:

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

The Company has paid the annual listing fees for the financial year 2016-17 to the Stock Exchanges.

SHAREHOLDING PATTERN

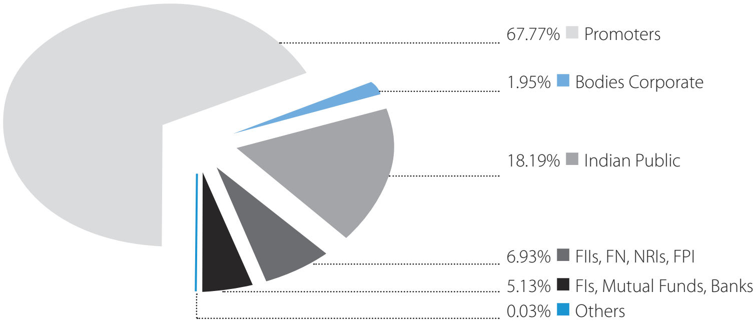
Distribution of Shareholding as on March 31, 2016:

Category of Shareholdings From – To	No. of Shareholders	% of Total	Total Shares	Amount (₹)	% of Total Amount
1 - 5000	8,802	87.78	825,315	8,253,150	4.43
5001 - 10000	560	5.58	426,665	4,266,650	2.29
10001 - 20000	317	3.16	471,738	4,717,380	2.53
20001 - 30000	112	1.12	281,543	2,815,430	1.51
30001 - 40000	71	0.71	255,701	2,557,010	1.37
40001 - 50000	27	0.27	123,955	1,239,550	0.67
50001 - 100000	85	0.85	614,429	6,144,290	3.30
100001 - and Above	53	0.53	15,617,580	156,175,800	83.89
Total	**10,027**	**100**	**18,616,926**	**186,169,260**	**100.00**

Category of Shareholding as on March 31, 2016:

S. No.	Category	No. of Shareholders	No. of Shares	%
1	Indian Promoters / Person Acting in Concert	1	12,616,996	67.77
2	Bodies Corporate	301	362,605	1.95
3	Indian Public (Individual /HUF/ Director & their Relatives)	9,322	3,386,312	18.19
4	FIIs / FN/ NRIs/FPI	370	1,290,736	6.93
5	FIs / Mutual Funds / Banks	9	954,421	5.13
6	Others (Clearing Member)	24	5,856	0.03
	Total	10,027	18,616,926	100.00

Category of shareholding



- The Company has not issued any ADRs/ GDRs and hence there are no outstanding ADRs / GDRs as on March 31, 2016.
- The Company has not issued any convertible warrants and hence there are no outstanding convertible warrants as on March 31, 2016.

Stock Market Data

National Stock Exchange (NSE)

Month	High (₹)	Low (₹)	Close (₹)	Volume
April 2015	1,095.00	780.50	906.65	317,505
May 2015	1,010.00	780.00	851.60	120,095
June 2015	874.95	800.00	856.70	98,902
July 2015	934.75	801.50	817.80	349,716
August 2015	915.00	697.50	801.25	260,325
September 2015	818.80	721.00	785.00	138,610
October 2015	862.75	747.00	749.40	239,314
November 2015	910.00	745.00	798.00	123,947
December 2015	831.00	745.00	803.95	138,822
January 2016	814.50	605.05	656.20	259,339
February 2016	686.00	614.00	641.85	198,256
March 2016	714.00	635.05	660.70	161,752

[Source:www.nseindia.com]

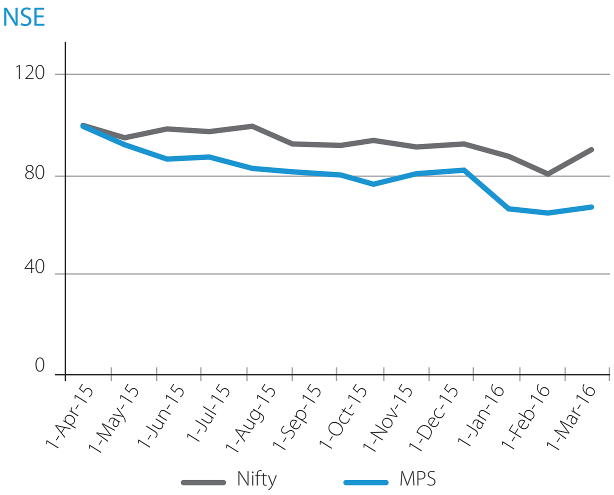
Bombay Stock Exchange (BSE)

Month	High (₹)	Low (₹)	Close (₹)	Volume
April 2015	1,096.00	816.00	903.25	85,454
May 2015	955.00	800.00	852.75	34,455
June 2015	873.25	800.25	852.25	22,950
July 2015	939.00	802.00	820.00	74,115
August 2015	919.00	720.00	801.00	74,240
September 2015	812.50	732.75	785.00	27,578
October 2015	861.00	740.25	747.00	40,529
November 2015	927.50	745.00	798.00	29,525
December 2015	830.00	747.00	800.50	23,944
January 2016	806.75	613.50	656.50	46,320
February 2016	687.75	610.00	641.00	23,637
March 2016	719.25	635.00	660.75	27,830

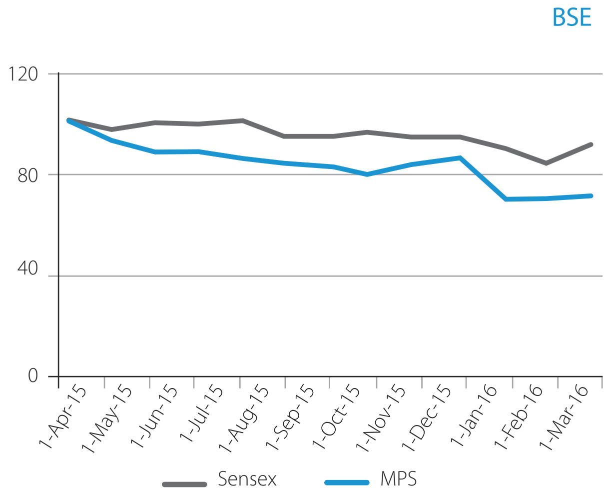
[Source:www.bseindia.com]

Company's share performance in comparison to Nifty and Sensex

Indexed to 100 as on April 1, 2015



[Source:www.nseindia.com]



[Source:www.bseindia.com]

Per Share Data

Year	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012 (15 months)
Net Earnings (₹ lacs)	7,052.54	5,870.12	4,344.44	3,189.02	1,087.13
EPS (₹)	37.88	34.76	25.82	18.96	6.46
Dividend per Share (₹)	22.00	22.00	17.00	10.00	4.00
Dividend Payout (%)	69.90	74.62	77.01	61.30	71.94
Book Value per Share (₹)	147.64	136.24	55.06	49.12	41.79
Price to Earnings	17.44	27.10	14.08	6.62	6.74
Price to Book Value	4.47	6.91	6.60	2.56	1.04

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 – National Securities Depository Limited (the NSDL) and Central Depository Services (India) Limited (the CDSL). As on March 31, 2016, a total of 18,590,261 shares of the Company, constituting 99.86% of the total Share Capital, were in demat form as detailed below:

	No. of shares	Percentage (%)
At National Securities Depository Limited	17,324,125	93.06
At Central Depository Services (India) Limited	1,266,136	6.80
In Physical Form	26,665	0.14
Total Paid-up Share Capital	18,616,926	100

Members Information

Members holding shares in the dmat mode should address their correspondence relating to updates in their details, viz. address, bank accounts, contact number, etc. to their respective Depository Participants. Members holding shares in physical mode, may address their such correspondence either to the Company Secretary of the Company or Cameo Corporate Services Limited, the Registrar and Share Transfer Agent of the Company.

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 2015-16, three requests for dematting 855 shares of the Company were received from the shareholders.

An Independent practicing Company Secretary certifies and issues the Compliance Certificate to the Stock Exchange(s) in pursuance of Clause 47C of the Listing Agreement(s) / Regulation 40 (9 & 10) of the Listing Regulations.

Depository Fees:

Annual Custody/ Depository fees for the financial year 2016-17 has been paid to NSDL and CDSL by the Company.

SHARE CAPITAL RECONCILIATION AUDIT

During the financial year 2015-16, 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 NSDL and CSDL and the total issued and listed equity share capital. The Share Capital Reconciliation Audit reports confirm that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of shares in dematerialized mode held with NSDL and CDSL. These reports are filed with Stock Exchanges on quarterly basis.

DISCLOSURES

(i) The details of transactions with related parties have been disclosed in the Financial Statements of the Company, forming part of the Annual Report for the financial year ended March 31, 2016. 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 during the year were entered into on arm's length basis and were related to the business operations of the Company.

The Company has entered into a transaction during the financial year 2013-14 for undertaking a rent-free accomodation from ADI Media Private Limited for a period of 5 years and there is no change in the arrangement during the year ended March 31, 2016.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The policy has been disseminated on the website of the Company at **http://www.adi-mps.com/Policies/Policy-On-Related-Party-Transactionsl.pdf.**

(ii) The Company has complied with all the requirements, as applicable to the Company, of the Listing Agreement with the Stock Exchange(s) and Listing Regulations and other 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 such other statutory authority.

(iii) The Company has adopted a Whistle Blower Policy. No employee has been denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company at **http://www.adi-mps.com/Policies/MPS-Whistle-Blower-Policy.pdf.** The Company also has a Policy on Prevention of Sexual Harassment of Women at workplace. The Company has established the necessary mechanism for employees to report their concerns about unethical and unwelcome behavior. The Prevention of Sexual Harassment Policy is available on the intranet site of the Company.

(iv) The Company has complied with all the mandatory requirements as per the provisions of Clause 49 of the Listing Agreements with Stock Exchanges and Regulation 34, 53 and Schedule V of the Listing Regulations.

(v) 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.

(vi) During the year, the Company had managed the foreign exchange risk by entering into the forward contracts for hedging foreign exchange exposures against its exports to the extent considered necessary as per the policy approved by the Board. The details of foreign currency exposure are disclosed in Note No. 23 to the Annual Audited Accounts.

Status of adoption of non-mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015:

(i) The Board is headed by an Executive Chairman.

(ii) The Company is already in No Audit Qualifications regime.

(iii) The Company has separate posts of Chairman and CEO.

(iv) The Internal Auditors' report directly to the Audit Committee of the Company.

CEO & CFO CERTIFICATION

In terms of Regulation 33 of Listing Regulations, CEO and CFO of the Company have certified to the Board on the accuracy of financial reporting and adequacy of internal controls for the financial year ended March 31, 2016. A copy of this certificate is enclosed with this report.

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 ids of shareholders are registered, such communications are sent through 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 and Regulation 47 of the Listing Regulations, are published in the Financial Express (English Newspaper) and Makkal Kural (Tamil Newspaper) and are sent to the Stock Exchanges.
- In compliance with the Listing Agreement and Listing Regulations, 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.
- All periodic compliances, viz. quarterly shareholding patterns, corporate governance reports, investors complain redressal mechanism, etc., and other event-based disclosures are being filed at the web-based filing platforms of NSE (NEAPS) and BSE (Listing Centre).
- The Financial Results, investor's updates, shareholding patterns, press releases and other shareholders related information of the Company are also displayed on the website of the Company, **www.adi-mps.com.**

Publishing Services Locations

Chennai - Books, Journals, Digital Services, and Learning & New Media Services Unit	RR Towers IV, Super A, 16/17 T VK Industrial Estate, Chennai – 600032, Tamil Nadu
Bengaluru - Journals, Books, Digital Services and 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
Noida - Books, MPS Technologies and learning & New Media Services 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	Cameo Corporate Services Limited Subramanian Building, 1 Club House Road, Chennai – 600002 Phone no. 044 – 28460390 Contact person: Mr. D. Narasimhan, Joint Manager
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 17, 2016

Nishith Arora
Executive Chairman

INDEPENDENT AUDITOR'S CERTIFICATE

To

The Members of

MPS Limited

1. We have examined the compliance of conditions of Corporate Governance by MPS Limited ("the Company"), for the year ended on March 31, 2016, as stipulated in:

   - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
   - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
   - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
   - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and 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 Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

5. We state that such compliance is neither an assurance as to the future viability of the Company nor 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 17, 2016

CEO/ CFO CERTIFICATION AS PER REGULATION 17(8) OF THE LISTING REGULATIONS

We, Rahul Arora, Whole Time Director & Chief Executive Officer and Sunit Malhotra, Chief Financial Officer certify to the Board of Directors of MPS Limited (the "Company") that:

a. We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2016 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 for financial reporting 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 such 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 significant 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 over financial reporting.

(Rahul Arora)
Chief Executive Officer

(Sunit Malhotra)
Chief Financial Officer

Place: Gurgaon
Date: May 17, 2016

STANDALONE
FINANCIAL STATEMENTS

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 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 prescribed under Section 133 of the Act, as applicable.

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 and the Order under Section 143 (11) of the Act.

We conducted our audit of the standalone financial statements 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. 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 31 March 2016, 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 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 prescribed under Section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) 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;

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Vijay Agarwal
Partner
(Membership No.094468)

Place: Gurgaon
Date: 17 May 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MPS Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vijay Agarwal
Partner
(Membership No.094468)

Place: Gurgaon
Date: 17 May 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are not held in the name of the Company as at the balance sheet date, as given below:

Particulars of the land and building	Amount (Carrying amount as at the balance sheet date)	Remarks
Office space at Building located at 137, Residency Road Bangalore admeasuring 62,349 square feet	₹ 1,301.21 lacs	The title deeds for building and undivided portion of land are held in the name of HMG Ambassador Property Management Private Limited, represented by 1,47,50,000 equity shares of ₹ 10/- each representing the value of land and buildings with irrevocable right of permanent occupation.
Office space at Building located at 135, Brigade Road Bangalore admeasuring 10,000 square feet	₹ 54.54 lacs	The title deeds for building and undivided portion of land admeasuring 10,000 square feet are in the name of Brigade Marketing Company Private Limited, erstwhile Company that was merged with Macmillan India Limited under Section 391 to 394 of the Companies Act, 1956 in terms of the Honorable High Court order dated 21 June 2005.

(ii) According to the information and explanations given to us, the Company does not have any inventory and hence reporting under clause (ii) of the Companies (Auditor's Report) Order, 2016 ("CARO") is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) According to the information and explanations given to us, the company has complied with the provisions of 186 of the companies Act, 2013 in respect of making investments. The company has not granted any loans, provided any security or guarantees under Section 185 and has not granted any loans and provided any securities or guarantees under section 186 of the Companies Act, 2013.

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

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013, hence reporting under clause (vi) CARO 2016 is not applicable.

(vii) 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, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(c) There are no dues of Sales tax, Custom Duty, Excise Duty and Value Added tax which have not been deposited as on 31 March 2016 on account of disputes. Details of dues of Income-tax and Service Tax which have not been deposited as on 31 March 2016 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)*	Amount Unpaid (₹ in Lacs)
Income Tax Act	Income Tax	Income Tax Appellate Tribunal	FY 2006-07	224.55	112.35
Income Tax Act	Income Tax	Assessing Officer	FY 2006-07	31.70	31.70
Income Tax Act	Income Tax	Income Tax Appellate Tribunal	FY 2007-08	163.97	163.97
Income Tax Act	Income Tax	Income Tax Appellate Tribunal	FY 2008-09	12.95	12.95
Income Tax Act	Income Tax	Income Tax Appellate Tribunal	FY 2009-10	174.58	174.58
Finance Act	Service Tax	Customs and Excise Service Tax Appellate Tribunal	July 2003 to September 2008	336.18	301.18

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

(viii) According to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 Order is not applicable to the Company.

(ix) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans. During the previous year, the Company had raised ₹ 149.99 crores 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.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934 and hence reporting under clause (xvi) of CARO 2016 is not applicable to the Company.

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

Vijay Agarwal
Partner
(Membership No.094468)

Place: Gurgaon
Date: 17 May 2016

BALANCE SHEET AS AT 31 MARCH 2016

₹ in Lacs

Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share capital	3	1,861.69	1,861.69
(b) Reserves and Surplus	4	25,625.05	23,502.05
		27,486.74	**25,363.74**
2. Non-Current Liabilities			
(a) Deferred tax liabilities (net)	27.3	118.08	57.23
		118.08	**57.23**
3. Current liabilities			
(a) Trade payables	5		
(i) Outstanding dues of micro enterprises and small enterprises		–	–
(ii) Outstanding dues of creditors other than micro enterprises and small enterprises		1,042.95	994.99
(b) Other current liabilities	6	916.08	958.03
(c) Short-term provisions	7	260.27	448.24
		2,219.30	**2,401.26**
TOTAL		**29,824.12**	**27,822.23**
II ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8.A	2,327.70	2,102.09
(ii) Intangible assets	8.B	104.80	50.47
(iii) Capital work-in-progress		5.85	–
		2,438.35	2,152.56
(b) Non-current investments	9	2,423.96	1,784.76
(c) Long-term loans and advances	10	2,664.01	2,239.57
(d) Other non-current assets	11	27.28	17.68
		7,553.60	**6,194.57**
2. Current assets			
(a) Current investments	12	16,901.87	15,903.66
(b) Trade receivables	13	3,633.97	3,269.71
(c) Cash and cash equivalents	14	423.10	1,278.50
(d) Short-term loans and advances	15	422.15	354.14
(e) Other current assets	16	889.43	821.65
		22,270.52	**21,627.66**
TOTAL		**29,824.12**	**27,822.23**
See accompanying notes forming part of the financial statements	1-30		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Vijay Agarwal
Partner
Membership Number: : 094468

Rahul Arora
Chief Executive Officer
DIN: 05353344

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer

Hitesh Jain
Company Secretary

Place : Gurgaon
Dated: 17 May 2016

Place : Gurgaon
Dated: 17 May 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

₹ in Lacs

	Particulars	Note No.	For the year ended 31 March 2016	For the year ended 31 March 2015
I	Revenue from operations (net)	17	22,403.87	20,317.37
II	Other income	18	1,833.78	1,062.53
III	**Total revenue (I+II)**		**24,237.65**	**21,379.90**
IV	Expenses			
	(a) Employee benefits expense	20	9,081.31	8,457.00
	(b) Finance costs	21	11.40	29.23
	(c) Depreciation and amortisation expense	8	385.63	517.07
	(d) Other expenses	22	4,371.75	4,273.32
	Total expenses		**13,850.09**	**13,276.62**
V	Profit before exceptional items and tax (III-IV)		**10,387.56**	**8,103.28**
VI	Exceptional items	19	–	772.05
VII	Profit before tax (V+VI)		**10,387.56**	**8,875.33**
VIII	Tax expense:			
	(a) Current tax		3,509.63	2,805.85
	(b) Deferred tax		60.85	199.36
	(c) Excess provision for tax relating to prior years		(235.43)	–
	Total tax expense		**3,335.05**	**3,005.21**
IX	Profit for the year (VII-VIII)		**7,052.51**	**5,870.12**
X	Earnings per equity share (of ₹ 10 each)			
	Basic and Diluted	27.2	37.88	34.76
	See accompanying notes forming part of the financial statements	1-30		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Vijay Agarwal
Partner
Membership Number: : 094468

Place : Gurgaon
Dated: 17 May 2016

For and on behalf of the Board of Directors

Rahul Arora
Chief Executive Officer
DIN: 05353344

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer

Hitesh Jain
Company Secretary

Place : Gurgaon
Dated: 17 May 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

₹ in Lacs

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	10,387.56	8,875.33
Adjustments for:		
Depreciation and amortisation expense	385.63	517.07
Interest income	(3.19)	(2.05)
Dividend income	(39.32)	(138.67)
Short term capital gain	(1,308.74)	–
Interest expense	11.40	29.23
Loss/(profit) on Sale/disposal / write-off of fixed assets (net)	2.27	18.42
Provision for doubtful debts no longer required written back	–	(8.72)
Liabilities/Provisions no longer required written back	(70.35)	(148.50)
Provision for doubtful loans and advances	236.87	62.63
Bad debts written off	3.58	9.97
Loans and advances written off	0.10	52.77
Unrealised exchange difference (net)	(89.75)	(49.49)
Depreciation adjustment recognised as miscellaneous income	–	(772.05)
Unrealised marked to market gain on forward contracts	(51.34)	(111.02)
Operating cash flows before working capital changes	9,464.72	8,334.92
Increase in trade receivables	(339.38)	(454.10)
Decrease in short-term loans and advances	50.94	22.71
Increase in other current assets	(67.78)	(35.94)
Increase in long-term loans and advances	(647.02)	(27.27)
Increase in other non current assets	(9.60)	(3.33)
Adjustments for increase / (decrease) in operating liabilities:		
Increase/(decrease) in trade payables	192.34	(427.02)
Increase in other current liabilities	54.85	172.67
Increase/(decrease) in other long-term liabilities	–	(7.42)
Increase in short term provisions	5.24	–
Cash generated from operations	8,704.31	7,575.22
Net income tax paid	(3,683.75)	(2,583.43)
Net cash provided by operating activities (A)	5,020.56	4,991.79
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(684.70)	(277.15)
Proceeds from sale of fixed assets	3.81	10.90
Purchase of non current investments	(639.20)	(737.52)
Purchase of short term investments	(39,740.66)	(14,149.59)
Proceeds from sale of investments	40,051.21	–
Dividends received	39.32	138.67
Interest received - others	3.19	1.93
Net cash used in investing activities (B)	(967.03)	(15,012.76)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

₹ *in Lacs*

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
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)
Finance cost	(11.40)	(29.23)
Dividend paid	(4,095.72)	(3,700.99)
Tax on dividend	(833.79)	(679.44)
Net cash (used in)/ flow from financing activities (C)	**(4,940.91)**	**10,362.77**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(887.38)**	**341.80**
Effects of exchange differences on cash and cash equivalents held in foreign currency	31.98	(37.72)
Cash and cash equivalents at the beginning of the year	1,278.50	974.42
Cash and cash equivalents at the end of the year*	**423.10**	**1,278.50**
*Comprises:		
(i) In current accounts	72.79	465.55
(ii) In EEFC accounts	290.31	662.95
(iii) In demand deposit accounts	60.00	150.00
	423.10	**1,278.50**
See accompanying notes forming part of the financial statements	1-30	

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Vijay Agarwal
Partner
Membership Number: : 094468

Place : Gurgaon
Dated: 17 May 2016

For and on behalf of the Board of Directors

Rahul Arora
Chief Executive Officer
DIN: 05353344

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer

Hitesh Jain
Company Secretary

Place : Gurgaon
Dated: 17 May 2016

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 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, Noida, Gurgaon and Bengaluru. The Company also operates with other production facilities in Dehradun and editorial and marketing offices in United States and United Kingdom. Our multi locational presence helps us in executing various customer requirements efficiently which helps us in getting repeat orders and customer addition.

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. The financial statements have been prepared based on accrual basis under the historical cost convention.

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.

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.

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 rent.

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 tangible fixed 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.

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 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.

Note 3 SHARE CAPITAL

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Amount in ₹ Lacs	Number of shares	Amount in ₹ Lacs
(a) Authorised share capital				
Equity shares of ₹ 10 /- each with voting rights	20,000,000	2,000.00	20,000,000	2,000.00
(b) Issued, Subscribed and fully paid up share capital				
Equity shares of ₹ 10 /- each with voting rights (refer note (i) to (iv) below)	18,616,926	1,861.69	18,616,926	1,861.69
Total		**1,861.69**		**1,861.69**

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 March 2016		As at 31 March 2015	
	Number of shares	Amount in ₹ Lacs	Number of shares	Amount in ₹ Lacs
Equity shares (with voting rights)				
At the beginning of the year	18,616,926	1,861.69	16,822,668	1,682.27
Add: Issue during the year *	-	-	1,794,258	179.42
At the end of the year	18,616,926	1,861.69	18,616,926	1,861.69

* *On 19 March 2015 the Company had allotted 1,794,258 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 entire proceeds of ₹ 147.80 crores from Qualified Institutional Placement ('QIP') (net of issue expenses) raised during the year ended 31 March 2015, pending utilisation for the objects of QIP - growth opportunities such as acquisitions, strategic initiatives, general corporate purposes and any other purposes as may be permissible under applicable law, remains invested in 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 March 2016	As at 31 March 2015
	Number of shares	Number of shares
ADI BPO Services Limited, the holding company	12,616,996	12,616,996

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

Class of share / Name of shareholder	As at 31 March 2016		As at 31 March 2015	
	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	12,616,996	67.77%	12,616,996	67.77%

Note 4 RESERVES AND SURPLUS

₹ *in Lacs*

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Securities premium account		
Opening balance	14,600.33	-
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	14,600.33
(b) General reserve:		
Opening balance	1,449.06	862.05
Add: Transferred from surplus in Statement of Profit and Loss	705.25	587.01
Closing balance	2,154.31	1,449.06
(c) Surplus in Statement of Profit and Loss:		
Opening balance	7,452.66	6,718.89
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 23.8)	-	168.91
Add: Profit for the year	7,052.51	5,870.12
Less: Interim dividend	4,095.72	3,700.99
Less: Tax on dividends	833.79	679.44
Less: Transferred to general reserve	705.25	587.01
Closing balance	8,870.41	7,452.66
	25,625.05	**23,502.05**

Note 5 TRADE PAYABLE

₹ *in Lacs*

Particulars	As at 31 March 2016	As at 31 March 2015
Trade payables - Other than acceptances (Refer Note 23.2)		
(i) Outstanding dues of micro enterprises and small enterprises	–	–
(ii) Outstanding dues of creditors other than micro enterprises and small enterprises	1,042.95	994.99
	1,042.95	**994.99**

Note 6 OTHER CURRENT LIABILITIES

₹ *in Lacs*

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Income received in advance (Unearned revenue)	151.09	132.95
(b) Book overdraft	92.37	152.15
(c) Interest accrued but not due	36.71	36.71
(d) Other payables:		
(i) Statutory remittances	110.20	110.02
(ii) Payables on purchase of fixed assets	–	4.14
(iii) Advances from customers	–	24.95
(iv) Others :		
Compensated absences	28.58	12.69
Gratuity	128.64	90.81
Rent equalisation reserve	–	7.42
Others	368.49	386.19
	916.08	**958.03**

Note 7 SHORT-TERM PROVISIONS

₹ *in Lacs*

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Provision for tax (net of advance tax of ₹ 3,393.76 lacs)	115.64	308.85
(b) Provision for service tax (Refer note 28)	144.63	139.39
	260.27	**448.24**

Note 8 FIXED ASSETS

₹ *in Lacs*

A. Tangible assets	Gross Block				Accumulated Depreciation						Net Block	
(Owned)	Balance as at 01 April 2015	Additions / Adjustments	Disposals/ Adjustments	Balance as at 31 March 2016	Balance as at 01 April 2015	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 March 2016	Balance as at 31 March 2016	Balance as at 31 March 2015
(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	370.44	24.07	–	–	–	394.51	1,035.90	1,059.97
	(1,430.41)	(–)	(–)	(1,430.41)	(769.80)	(24.01)	(–)	(423.37)	(–)	(370.44)	(1,059.97)	(660.61)
(c) Plant and equipment	3,503.18	575.69	279.79	3,799.08	2,960.82	275.75	266.60	–	–	2,969.97	829.11	542.36
	(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)
(d) Furniture and Fixtures	405.00	19.24	52.48	371.76	375.02	27.80	48.76	–	–	354.06	17.70	29.98
	(413.84)	(12.98)	(21.82)	(405.00)	(375.93)	(35.84)	(18.65)	(41.26)	(23.16)	(375.02)	(29.98)	(37.91)
(e) Vedhicles	86.92	–	–	86.92	33.81	13.17	–	–	–	46.98	39.94	53.11
	(109.92)	(0.03)	(23.03)	(86.92)	(56.66)	(16.65)	(14.29)	(25.51)	(0.30)	(33.81)	(53.11)	(53.26)
(f) Leasehold improvements	41.18	–	4.40	36.78	29.56	9.40	2.17	–	–	36.78	–	11.62
	(36.78)	(4.40)	(–)	(41.18)	(14.87)	(14.69)	(–)	(–)	(–)	(29.56)	(11.62)	(21.91)
Total (A)	5,871.74	594.93	336.67	6,130.00	3,769.65	350.19	317.53	–	–	3,802.30	2,327.70	2,102.09
Previous year	(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)

₹ *in Lacs*

B. Intangible assets	Gross Block				Accumulated Depreciation						Net Block	
(Owned)	Balance as at 01 April 2015	Additions / Adjustments	Disposals/ Adjustments	Balance as at 31 March 2016	Balance as at 01 April 2015	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 March 2016	Balance as at 31 March 2016	Balance as at 31 March 2015
(i) Computer software (acquired)	1,778.28	89.77	–	1,868.05	1,727.81	35.44	–	–	–	1,763.25	104.80	50.47
	(1,768.62)	(9.66)	(–)	(1,778.28)	(1,622.84)	(104.97)	(–)	(–)	(–)	(1,727.81)	(50.47)	(145.78)
Total (B)	1,778.28	89.77	–	1,868.05	1,727.81	35.44	–	–	–	1,763.25	104.80	50.47
Previous year	(1,768.62)	(9.66)	(–)	(1,778.28)	(1,622.84)	(104.97)	(–)	(–)	(–)	(1,727.81)	(50.47)	(145.78)
Total (A) ± (B)	7,650.02	684.70	336.67	7,998.05	5,497.46	385.63	317.53	–	–	5,565.55	2,432.50	2,152.56
Previous Year	(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)

* Freehold land and Buildings include property located at Bengaluru (HMG Ambassador) at a cost of ₹ 400 lacs and ₹ 1,213 lacs respectively. The title to this property is in the name of HMG Ambassador Property Management Private Limited, represented by 14,750,000 equity shares of ₹ 10/- each representing the value of land and buildings with irrevocable right of permanent occupation.

* The title deeds for building and undivided portion of land admeasuring 10,000 square feet are in the name of Brigade Marketing Company Private Limited, erstwhile Company that was merged with Macmillan India Limited under Section 391 to 394 of the Companies Act, 1956 in terms of the Honorable High Court order dated 21 June 2005.

Figures in brackets relate to previous year

Note 9 NON-CURRENT INVESTMENTS

₹ in Lacs

Particulars	As at 31 March 2016	As at 31 March 2015
Investments (At cost):		
Investment in equity units of subsidiary	2,423.96	1,784.76
40,000 Units (As at 31 March 2015: 30,000 Units) of USD 100 each fully paid up of MPS North America LLC, USA		
	2,423.96	**1,784.76**

Note 10 LONG-TERM LOANS AND ADVANCES

₹ in Lacs

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Security deposits		
Unsecured, considered good (Refer Note (i) below)	266.50	255.88
Doubtful	–	135.76
	266.50	391.64
Less: Provision for doubtful deposits	–	135.76
	266.50	255.88
(b) Prepaid expenses - Unsecured, considered good	9.15	2.50
(c) Advance income tax (net of provisions of ₹ 6,527.57 lacs)	405.03	167.28
(d) Balances with government authorities - Unsecured, considered good		
(i) Service tax credit receivable	1,946.80	1,777.38
(ii) Others	36.53	36.53
	2,664.01	**2,239.57**

Note (i):

Includes ₹ 100 Lacs (As at 31 March 2015 ₹ 100 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises taken on rent.

Note 11 OTHER NON-CURRENT ASSETS

₹ in Lacs

Particulars	As at 31 March 2016	As at 31 March 2015
Balances held as margin money or security against guarantees	27.28	17.68
	27.28	**17.68**

Note 12 CURRENT INVESTMENTS

Particulars	As at 31 March 2016		As at 31 March 2015	
	Units in '000	₹ in Lacs	Units in '000	₹ in Lacs
Investment in mutual funds (Unquoted fully paid up)				
Birla Sun Life Floating Rate Fund-STP-DDP-Direct	–	–	0.78	0.78
Kotak Floater Short Term-DDP-Direct	–	–	40.00	404.67
Tata Money Market Fund -Direct Plan -Daily Dividend Reinvestment	–	–	20.10	201.35
Kotak Liquid Scheme Plan A - Direct Plan- Daily Dividend*	17.07	208.73	36.01	440.36
Birla Sun Life Cash Plus-Growth-Direct Plan	61.71	150.00	–	–
ICICI Prudential Liquid -Direct Plan Growth	89.25	200.00	–	–
Reliance Liquid Fund -Treasury Plan - Direct Growth Plan - Growth Option	5.42	200.00	–	–
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
ICICI Prudential Liquid -Regular Plan -Growth	–	–	968.92	2,000.00
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
Birla Sun Life Savings Fund - Regular Plan - Weekly Dividend - Reinvestment	1,926.11	1,931.08	–	–
HDFC Liquid Fund - Weekly Dividend - Reinvestment	158.84	1,640.13	–	–
HDFC Liquid Fund - Weekly Dividend- Reinvestment	219.99	2,269.68	–	–
ICICI Prudential Liquid - Weekly Dividend- Reinvestment	1,608.56	1,613.64	–	–
ICICI Prudential Flexible Income -Regular Paln- Weekly Dividend Reinvestment	1,827.37	1,928.30	–	–
Reliance Liquid Fund-Treasury Plan- Dividend Weekly- Reinvestment	105.33	1,611.89	–	–
Axis Liquid Fund - Dividend Weekly -Reinvestment	160.84	1,611.74	–	–
Kotak Liquid Scheme Plan A - (Regular Plan) Dividend Weekly Reinvestment	161.06	1,613.05	–	–
DSP Black Rock -Liquidity Fund-Institutional Plan-Dividend Weekly Reinvestment	192.22	1,923.63	–	–
	6,533.77	**16,901.87**	**49,963.34**	**15,903.66**
Aggregate market value (NAV) of investments		**16,914.08**		**15,943.42**

*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 March 2016 ₹ 1,222.81)

Note 13 TRADE RECEIVABLES (UNSECURED)

₹ in Lacs

Particulars	As at 31 March 2016	As at 31 March 2015
Trade receivable for a period exceeding six months		
Considered good	13.26	3.06
Doubtful	19.33	12.19
	32.59	15.25
Less: Provision for doubtful trade receivables	19.33	12.19
	13.26	3.06
Other trade receivables		
Considered good	3,620.71	3,266.65
Doubtful	14.76	2.66
	3,635.47	3,269.31
Less: Provision for doubtful trade receivables	14.76	2.66
	3,620.71	3,266.65
	3,633.97	**3,269.71**

Note 14 CASH AND CASH EQUIVALENTS

₹ in Lacs

Particulars	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
Balances with banks		
(i) In current accounts	72.79	465.55
(ii) In EEFC accounts	290.31	662.95
(iii) In demand deposit accounts	60.00	150.00
Total Cash and cash equivalents	**423.10**	**1,278.50**
Out of the above the balances that meet the definition of Cash and Cash equivalents as per AS 3 Cash Flow Statement is :	**423.10**	**1,278.50**

Note 15 SHORT-TERM LOANS AND ADVANCES

₹ in Lacs

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Security deposits		
Unsecured, considered good	1.13	0.45
Doubtful	1.27	1.56
	2.40	2.01
Less: Provision for doubtful deposits	1.27	1.56
	1.13	0.45
(b) Loans and advances to employees		
Unsecured, considered good	15.67	13.81
Doubtful	19.40	12.80
	35.07	26.61
Less: Provision for doubtful loans and advances	19.40	12.80
	15.67	13.81
(c) Prepaid expenses- Unsecured, considered good	222.06	195.55
(d) Balances with government authorities- Unsecured, considered good		
(i) VAT credit receivable	7.67	7.59
	7.67	7.59
(e) Unrealised MTM gain receivable on forward covers	162.36	111.02
(f) Others		
Unsecured, considered good	13.26	25.72
	422.15	**354.14**

Note 16 OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Interest accrued on deposits	0.47	0.47
(b) Unbilled revenue	888.96	821.18
	889.43	**821.65**

Note 17 REVENUE FROM OPERATIONS

₹ *in Lacs*

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Sale of services		
(i) Exports (earning in foreign currency)	22,387.01	20,296.75
(ii) Domestic	16.86	20.62
	22,403.87	**20,317.37**

Note 18 OTHER INCOME

₹ *in Lacs*

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
(a) Interest income from bank on deposits	3.19	2.05
(b) Dividend income from current investments (mutual funds)	39.32	138.67
(c) Net gain on sale of current investment	1,308.74	–
(d) MTM and net gain on foreign currency transactions and translation	407.75	632.51
(e) Other non-operating income (Refer note (i) below)	74.78	289.30
	1,833.78	**1,062.53**

Note (i) Other non-operating income comprises:

₹ *in Lacs*

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
(a) Rental income from operating leases	–	125.87
(b) Liabilities no longer required written back	54.59	148.50
(c) Provisions on advances no longer required written back	15.76	–
(d) Provision for trade receivables no longer required written back	–	8.72
(e) Bad debts and advances recovered	0.06	0.33
(f) Profit on sale of fixed assets	1.11	–
(g) Miscellaneous income	3.26	5.88
	74.78	**289.30**

Note 19 EXCEPTIONAL INCOME

₹ *in Lacs*

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Depreciation impact due to change in method	–	772.05
	–	**772.05**

During the previous year 2014-15, the Company had changed its accounting policy of providing depreciation on fixed assets. Effective 01 April 2014, depreciation is 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 01 April 2014 was credit of ₹ 772.05 Lacs which was shown as an "Exceptional Item" and deferred tax of ₹ 262 Lacs on this credit was included in tax expenses.

Note 20 EMPLOYEE BENEFITS EXPENSE

₹ *in Lacs*

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Salaries and wages	7,894.35	7,356.73
Contributions to provident and other funds	727.95	634.88
Staff welfare expenses	459.01	465.39
	9,081.31	**8,457.00**

Note 21 FINANCE COSTS

₹ in Lacs

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Interest expense on:		
(i) Income tax / service tax / VAT	11.40	26.93
(ii) Borrowings	–	0.11
(iii) Others	–	2.19
	11.40	**29.23**

Note 22 OTHER EXPENSES

₹ in Lacs

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
Consumables		24.74		51.09
Outsourcing cost		1,147.30		1,172.67
Power and fuel		416.88		433.02
Rent including lease rentals (Refer Note 27.1)		550.80		556.31
Hire charges		18.05		26.20
Repairs and maintenance - Buildings		275.75		283.61
Repairs and maintenance - Plant and Machinery		258.54		245.01
Repairs and maintenance - Others		2.32		5.08
Insurance		30.54		30.89
Rates and taxes		47.49		28.62
Communication		268.92		238.98
Travelling and conveyance		472.06		535.17
Expenditure on corporate social responsibility		105.08		63.31
Legal and professional		190.77		166.09
Directors sitting fees		19.40		22.00
Commission to non-executive directors		60.60		58.00
Payments to auditors (Refer Note (i) below)		52.85		42.35
Bad trade receivables written off	12.80		9.97	
Less: Provision utilised for the above	9.22		–	
		3.58		9.97
Advances written off	120.05		52.44	
Less: Provision utilised for the above	120.00		3.87	
		0.05		48.57
Provision for doubtful trade and other receivables, loans and advances		34.77		62.63
Loss on fixed assets sold, scrapped & written off	16.60			
Less: Provision utilised for the above	13.22			–
		3.38		18.42
Miscellaneous expenses		387.88		175.33
		4,371.75		**4,273.32**

Note (i)

₹ in Lacs

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Payments to the auditors comprises (net of service tax input credit, where applicable):		
To Statutory auditors		
(i) For Statutory Audit	25.00	20.00
(ii) For taxation matters	3.00	3.00
(iii) For other services	20.50	18.00
(iv) Reimbursement of expenses	4.35	1.35
	52.85	**42.35**

Note: Audit fees disclosed for previous year 2014-15 above does not include ₹ 28.00 lacs for QIP issue - grouped under share issue expenses (Refer note - 4)

Note 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

₹ in Lacs

Note	Particulars	As at 31 March 2016	As at 31 March 2015
23.1	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
	Claims against the Company not acknowledged as debts		
	(a) Income tax	702.80	599.55
	(b) Service tax	266.70	564.98
	(c) Employee state insurance (ESI) and Provident fund (PF)	6.59	6.59
	(d) Other claims	211.02	196.40
	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.		

₹ in Lacs

	Commitments	As at 31 March 2016	As at 31 March 2015
(ii)	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	25.73	22.34
		25.73	**22.34**

23.2 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.

23.3 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 ₹ (Lacs)
USD	72	Sell	5,031.86
	(72)		(4,675.56)
GBP	8	Sell	846.42
	(13)		(1,309.84)

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 March 2016		As at 31 March 2015	
Receivable in Foreign currency	Receivable Amt in ₹ Lacs	Receivable in Foreign currency	Receivable Amt in ₹ Lacs
AUD 237,092	120.18	AUD 74,073	35.21
EUR 67,344	50.75	EUR 118,398	79.55
GBP 556,814	529.53	GBP 0	–
ZAR 0	–	ZAR 6,341	0.32

Note 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS *(contd...)*

As at 31 March 2016		As at 31 March 2015	
Payable in Foreign currency	Payable Amt in ₹ Lacs	Payable in Foreign currency	Payable Amt in ₹ Lacs
EUR 0	-	EUR 7,882	5.30
GBP 7,050	6.70	GBP 86,531	80.02
USD 225,944	149.64	USD 154,508	96.57

23.4 Value of imports calculated on CIF basis:

₹ in Lacs

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Capital goods	78.83	–

23.5 Expenditure in foreign currency:

₹ in Lacs

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Outsourcing cost	678.05	605.79
Salaries,wages and bonus	315.09	222.91
Rates and taxes	0.18	0.24
Rent	8.79	29.27
Legal and professional charges	38.17	33.52
Repairs and maintainence	25.03	17.32
Travel	99.79	106.86
Communication	106.09	88.21
Others	210.47	96.03
	1,481.66	1,200.15

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

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

23.8 During the previous year 2014-15, pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company had 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 01 April 2014, and had 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 24 EMPLOYEE BENEFIT PLANS

1.a. Defined contribution plans

The Company makes contributions to Provident Fund , Superannuation Fund and Employee State Insurance (ESI) Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 399.52 Lacs (Previous year ₹ 367.44 Lacs.) for Provident Fund contributions, ₹ 6.30 Lacs (Previous year ₹ 6.30 Lacs.) for Superannuation Fund contributions and ₹ 82.62 Lacs (Previous year ₹ 70.40 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.

Note 24 EMPLOYEE BENEFIT PLANS *(contd...)*

1.b. Defined benefit plans

The Company offers the following employee benefit scheme 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:

₹ in Lacs

Particulars	As at 31 March 2016	As at 31 March 2015
Components of employer expense		
Current service cost	50.83	41.01
Interest cost	36.98	34.24
Expected return on plan assets	(30.05)	(30.06)
Actuarial losses	73.88	89.95
Total expense recognised in the Statement of Profit and Loss	**131.64**	**135.14**
Actual contribution and benefit payments for year		
Actual benefit payments	(63.49)	(71.69)
Actual contributions	90.16	71.27
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(560.60)	(463.34)
Fair value of plan assets	432.30	376.51
Funded status [Surplus / (Deficit)]	(128.30)	(86.83)
Net asset / (liability) recognised in the Balance Sheet	**(128.30)**	**(86.83)**
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	463.34	368.52
Current service cost	50.83	41.01
Interest cost	36.98	34.24
Actuarial (gains) / losses	72.94	91.26
Benefits paid	(63.49)	(71.69)
Present value of DBO at the end of the year	**560.60**	**463.34**
Change in fair value of assets during the year		
Plan assets at beginning of the year	376.51	345.56
Expected return on plan assets	30.05	30.06
Actual company contributions	90.16	71.27
Actuarial gain / (loss)	(0.93)	1.31
Benefits paid	(63.49)	(71.69)
Plan assets at the end of the year	**432.30**	**376.51**
Actual return on plan assets	29.11	31.37
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%

Note 24 **EMPLOYEE BENEFIT PLANS** *(contd...)*

₹ in Lacs

Particulars	As at 31 March 2016	As at 31 March 2015
Actuarial assumptions		
Discount rate	7.56%	7.98%
Expected return on plan assets	7.56%	7.98%
Salary escalation	6.00%	6.00%
Attrition	Employee Grade wise trend	
Estimated amount of contribution in the next year	₹ 196.29 Lacs	₹ 137.66 Lacs

Experience adjustments	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Present value of DBO	560.60	463.34	375.53	382.77	361.12
Fair value of plan assets	432.30	376.51	345.55	356.20	433.45
Funded status [Surplus / (Deficit)]	(128.30)	(86.83)	(29.98)	(26.57)	72.33
Experience gain / (loss) adjustments on plan liabilities	(34.34)	(46.14)	35.42	43.29	(6.84)
Experience gain / (loss) adjustments on plan assets	(0.93)	1.31	(1.41)	(2.33)	5.09

ii. Long term compensated absences as at 31 March 2016 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 March 2016	As at 31 March 2015
Actuarial assumptions		
Discount rate	7.56%	7.98%
Expected return on plan assets	7.56%	7.98%
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.

Note 25 **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:

₹ in Lacs

Revenue by location of geographical customer	For the year ended 31 March 2016	For the year ended 31 March 2015
India	16.86	20.62
Europe	11,691.49	9,407.90
USA	10,141.11	10,479.15
Rest of the World	554.41	409.70
Total	**22,403.87**	**20,317.37**

Note 25 SEGMENT INFORMATION *(contd...)*

₹ *in Lacs*

Carrying amount of Segment Assets by geographical location	As at 31 March 2016	As at 31 March 2015
India	23,646.39	22,695.94
Europe	4,198.55	1,591.46
USA	1,915.74	3,448.58
Rest of the World	63.44	86.25
Total	**29,824.12**	**27,822.23**

₹ *in Lacs*

Cost incurred for purchase of Tangible Assets and Intangible Assets by geographical location	As at 31 March 2016	As at 31 March 2015
India	684.41	278.12
USA	0.29	2.33
Total	**684.70**	**280.45**

Note 26 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) Company Under Common Control	ADI Media Private Limited
(iv) Key Management Personnel (KMP)	Mr. Nishith Arora, Chairman and Managing Director till 25 May 2015, Executive Chairman and Whole time Director w. e. f. 25 May 2015 till date
	Mr. Rahul Arora, Whole Time Director till 24 May 2015, Chief Executive Officer and Whole Time Director w.e.f. 25 May 2015 till date
	Mrs. Yamini Tandon, Whole Time Director (w.e.f 11 August 2014 till 08 May 2015) and Non - Executive Director w.e.f. 03 August 2015 till date.
(iv) Relatives of KMP	Mrs. Yamini Tandon, Vice President-Service Delivery (w.e.f 17 February 2014 till 10 August 2014)

Note 26 RELATED PARTY TRANSACTIONS *(contd...)*

b. Details of related party transactions during year ended 31 March 2016 and balances outstanding as at 31 March 2016:

₹ *in Lacs*

Particulars	Holding Company	Subsidiary	Company Under Common Control (Refer note 3)	KMP	Relatives of KMP	Total
Purchase of fixed assets	–	–	–	–	–	–
	(8.45)	(–)	(–)	(–)	(–)	(8.45)
Rendering of services	–	423.69	–	–	–	423.69
	(–)	(494.53)	(–)	(–)	(–)	(494.53)
Rentals Paid	305.49	–	–	–	–	305.49
	(285.49)	(–)	(–)	(–)	(–)	(285.49)
Equity Contribution	–	639.20	–	–	–	639.20
	(–)	(737.52)	(–)	(–)	(–)	(737.52)
Dividend	2,775.74	–	–	–	–	2,775.74
	(2,775.74)	(–)	(–)	(–)	(–)	(2,775.74)
Remuneration to Key Management Personnel						
Nishith Arora	–	–	–	69.09	–	69.09
	(–)	(–)	(–)	(159.89)	(–)	(159.89)
Rahul Arora	–	–	–	108.35	–	108.35
	(–)	(–)	(–)	(48.56)	(–)	(48.56)
Yamini Tandon	–	–	–	3.04	–	3.04
	(–)	(–)	(–)	(18.49)	(10.56)	(29.05)

₹ *in Lacs*

Particulars	Holding Company	Subsidiary	Company Under Common Control (Refer note 3)	KMP	Relatives of KMP	Total
Balances outstanding as at 31 March 2016						
Security Deposit Placed	100.00	–	–	–	–	100.00
	(100.00)	(–)	(–)	(–)	(–)	(100.00)
Trade receivable	–	120.30	–	–	–	120.30
	(–)	(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

3. Rent free premises taken by the Company.

Note 27.1 DETAILS OF LEASING ARRANGEMENTS

₹ in Lacs

Note	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	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:	550.80	556.31
	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
	later than one year and not later than five years	–	–
	later than five years	–	–
		–	**101.25**

Note 27.2 EARNINGS PER EQUITY SHARE

Note	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	Basic and Diluted		
	Net profit for the year attributable to the equity shareholders (₹ in Lacs)	7,052.51	5,870.12
	Weighted average number of equity shares	18,616,926	16,886,573
	Par value per share (₹)	10.00	10.00
	Earnings per share - Basic and Diluted (₹)	**37.88**	**34.76**

Note 27.3 DEFERRED TAX (LIABILITY) / ASSETS

₹ in Lacs

Note	Particulars	As at 31 March 2016	As at 31 March 2015
	Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets:	(169.56)	(153.42)
		(169.56)	**(153.42)**
	Tax effect of items constituting deferred tax asset		
	Provision for compensated absences, gratuity and other employee benefits	39.92	36.53
	Provision for doubtful trade receivables / advances	11.56	57.09
	Others	–	2.57
		51.48	**96.19**
	Deferred tax liabilities (net)	**(118.08)**	**(57.23)**

Note 28 DETAILS OF PROVISIONS

The Company has made provision for pending litigation matter based on its assessment of the amount it estimates to incur to meet such obligation, details of which are given below:

₹ in Lacs

Particulars	As at 01 April 2015	Additions	Utilisation	As at 31 March 2016
Provision for Service tax matters	139.39	5.24	–	144.63
	(134.57)	(4.82)	(–)	(139.39)
	139.39	**5.24**	**–**	**144.63**
	(134.57)	**(4.82)**	**(–)**	**(139.39)**

Note: Figures in brackets relate to the previous year.

Of the above, the following amounts are expected to be incurred within a year:

₹ in Lacs

Particulars	As at 31 March 2016	As at 31 March 2015
Provision for service tax matters	144.63	139.39

Note 29 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 30 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

Rahul Arora
Chief Executive Officer
DIN: 05353344

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer

Hitesh Jain
Company Secretary

Place : Gurgaon
Dated: 17 May 2016

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 (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 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 consolidated state of affairs of the Group as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date:

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report to the extent applicable 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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company, none of its directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act. The Holding Company has a subsidiary company incorporated outside India, hence, Section 164(2) of the Act is not applicable to the subsidiary company.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's internal financial controls over financial reporting. The Holding Company has a subsidiary company incorporated outside India and reporting on the adequacy and operating effectiveness of internal financial controls over financial reporting is not applicable to such subsidiary company.

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

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;

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

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

Vijay Agarwal
Partner
(Membership No.094468)

Place: Gurgaon
Date: 17 May 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of MPS Limited (hereinafter referred to as "the Holding Company") as of that date. The Holding Company has a subsidiary company incorporated outside India and reporting on the adequacy and operating effectiveness of internal financial controls over financial reporting is not applicable to such subsidiary company.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vijay Agarwal
Partner
(Membership No.094468)

Place: Gurgaon
Date: 17 May 2016

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

₹ in Lacs

Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share capital	3	1,861.69	1,861.69
(b) Reserves and Surplus	4	26,081.70	23,748.92
		27,943.39	**25,610.61**
2. Non-Current Liabilities			
(a) Deferred tax liabilities (net)	27.3	167.00	75.58
		167.00	**75.58**
3. Current liabilities			
(a) Trade payables	5		
(i) Outstanding dues of micro enterprises and small enterprises		–	–
(ii) Outstanding dues of creditors other than micro enterprises and small enterprises		1,187.72	1,112.52
(b) Other current liabilities	6	938.70	958.13
(c) Short-term provisions	7	265.09	492.09
		2,391.51	**2,562.74**
TOTAL		**30,501.90**	**28,248.93**
II ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8.A	2,354.95	2,150.54
(ii) Intangible assets	8.B	1,228.64	1,112.69
(iii) Capital work-in-progress		5.85	–
		3,589.44	3,263.23
(b) Long-term loans and advances	9	2,684.72	2,246.78
(c) Other non-current assets	10	27.28	17.68
		6,301.44	**5,527.69**
2. Current assets			
(a) Current investments	11	16,901.87	15,903.66
(b) Trade receivables	12	4,496.55	3,932.54
(c) Cash and cash equivalents	13	1,428.66	1,646.10
(d) Short-term loans and advances	14	432.58	362.57
(e) Other current assets	15	940.80	876.37
		24,200.46	**22,721.24**
TOTAL		**30,501.90**	**28,248.93**
See accompanying notes forming part of the consolidated financial statements	1-30		

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Vijay Agarwal
Partner
Membership Number: : 094468

Place : Gurgaon
Dated: 17 May 2016

For and on behalf of the Board of Directors

Rahul Arora
Chief Executive Officer
DIN: 05353344

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer

Hitesh Jain
Company Secretary

Place : Gurgaon
Dated: 17 May 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

₹ in Lacs

	Particulars	Note No.	For the year ended 31 March 2016	For the year ended 31 March 2015
I	Revenue from operations (net)	16	25,720.99	22,387.16
II	Other income	17	1,837.45	1,075.38
III	**Total revenue (I+II)**		**27,558.44**	**23,462.54**
IV	Expenses			
	(a) Employee benefits expense	19	10,955.00	9,406.82
	(b) Finance costs	20	11.40	29.23
	(c) Depreciation and amortisation expense	8	412.16	545.20
	(d) Other expenses	21	5,665.41	4,943.33
	Total expenses		**17,043.97**	**14,924.58**
V	**Profit before exceptional items and tax (III-IV)**		**10,514.47**	**8,537.96**
VI	Exceptional items	18	–	772.05
VII	**Profit before tax (V+VI)**		**10,514.47**	**9,310.01**
VIII	Tax expense:			
	(a) Current tax		3,534.83	2,878.02
	(b) Deferred tax		91.42	288.12
	(c) (Excess) provision for tax relating to prior years		(235.43)	–
	Total tax expense		**3,390.82**	**3,166.14**
IX	**Profit for the year (VII-VIII)**		**7,123.65**	**6,143.87**
X	Earnings per equity share (of ₹ 10 each)			
	Basic and Diluted	27.2	38.26	36.38
See accompanying notes forming part of the consolidated financial statements		1-30		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Vijay Agarwal
Partner
Membership Number: : 094468

Place : Gurgaon
Dated: 17 May 2016

For and on behalf of the Board of Directors

Rahul Arora
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Chief Financial Officer

Hitesh Jain
Company Secretary

Place : Gurgaon
Dated: 17 May 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

₹ *in Lacs*

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	10,514.47	9,310.01
Adjustments for:		
Depreciation and amortisation expense	412.16	545.20
Interest income	(3.19)	(2.05)
Dividend income	(39.32)	–
Short term capital gain	(1,308.74)	(138.67)
Interest expense	11.40	29.10
Loss/(profit) on sale/disposal / write-off of fixed assets (net)	2.27	18.42
Provision for doubtful trade receivables no longer required written back	–	(45.56)
Liabilities/Provisions no longer required written back	(73.71)	(158.63)
Provision for doubtful trade receivables / loans and advances	238.45	62.63
Bad debts written off	3.58	60.90
Loans and advances written off	0.10	52.76
Unrealised exchange difference (net)	(89.74)	(49.49)
Depreciation impact due to change in method	–	(772.05)
Unrealised marked to market gain on forward contracts	(51.34)	(111.02)
Other non-cash adjustment	–	(1.24)
Operating cash flows before working capital changes	9,616.39	8,800.31
Increase in Trade receivables	(512.44)	(769.07)
Decrease in short-term loans and advances	48.95	17.68
Increase / (decrease) in other current assets	(64.43)	(90.66)
Increase in long-term loans and advances	(739.94)	(31.27)
Increase / (decrease) in other non current assets	(9.60)	(3.33)
Increase/(decrease) in trade payables	219.58	(439.21)
Increase /(decrease) in other current liabilities	75.27	172.77
Increase/(decrease) in other long-term liabilities	–	(7.42)
Increase in short term provisions	10.07	(2.04)
Cash generated from operations	8,643.86	7,647.76
Net income tax paid	(3,761.73)	(2,611.93)
Net cash provided by operating activities (A)	4,882.13	5,035.83
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(686.04)	(281.59)
Proceeds from disposal of fixed assets	3.70	10.89
Acquisition of business	–	(665.62)
Purchase of short term investments	(39,740.66)	(14,149.59)
Proceeds from sale of investments	40,051.21	–
Interest received	3.19	1.93
Dividends received	39.32	138.67
Net cash used in investing activities (B)	(329.28)	(14,945.31)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

₹ in Lacs

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
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)
Finance cost	(11.40)	(29.10)
Dividend paid	(4,095.72)	(3,700.99)
Tax on dividend	(833.79)	(679.44)
Net cash (used in)/ flow from financing activities (C)	**(4,940.91)**	**10,362.90**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(388.06)**	**453.42**
Impact on Cash Flow on account of Foreign Currency Translation	138.64	69.08
Effects of exchange differences on cash and cash equivalents held in foreign currency	31.98	(37.72)
Cash and cash equivalents at the beginning of the year	1,646.10	1,161.32
Cash and cash equivalents at the end of the year*	**1,428.66**	**1,646.10**
*Comprises:		
(i) In current accounts	1,078.35	833.15
(ii) In EEFC accounts	290.31	662.95
(iii) In demand deposit accounts	60.00	150.00
	1,428.66	**1,646.10**
See accompanying notes forming part of the consolidated financial statements	1-30	

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Vijay Agarwal
Partner
Membership Number: : 094468

Place : Gurgaon
Dated: 17 May 2016

For and on behalf of the Board of Directors

Rahul Arora
Chief Executive Officer
DIN: 05353344

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer

Hitesh Jain
Company Secretary

Place : Gurgaon
Dated: 17 May 2016

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, Noida, Gurgaon and Bengaluru. The Company also operates with other production facilities in Dehradun and editorial and marketing offices in United States and United Kingdom. Our multi locational presence helps us in executing various customer requirements efficiently which helps us in getting repeat orders and customer addition.

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 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.The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

2.2 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.

2.3 Use of estimates

The preparation of the consolidated 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.

2.4 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.

2.5 Cash flow statement

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

2.6 Depreciation and 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.

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.

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

2.7 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.

2.8 Other income

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

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

2.9 Fixed assets (tangible / intangible)

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

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

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 tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Foreign currency transactions and translations

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

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

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

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

(i) All assets & liabilities, monetary and non- monetary are translated at the year/period end rate.

(ii) Income and expense items are translated at the average rates.

(iii) The Resulting net exchange difference is credited or debited to a foreign currency translation reserve and accumulated till the disposal of the net investment.

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

Accounting of forward contracts

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

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

2.11 Investments

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

2.12 Employee benefits

Employee benefits include contribution to provident fund, superannuation fund, gratuity fund, 401K, compensated absences wherever mandatory as per law 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.

2.13 Leases

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

2.14 Earnings per share

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

2.15 Taxes on income

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

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

2.16 Impairment of assets

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

2.17 Provisions and contingencies

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

2.18 Derivative contracts

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

All 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.

2.19 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.

2.20 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.

2.21 Operating cycle

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

Note 3 SHARE CAPITAL

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Amount in ₹ Lacs	Number of shares	Amount in ₹ Lacs
(a) Authorised share capital				
Equity shares of ₹ 10 /- each with voting rights	20,000,000	2,000.00	20,000,000	2,000.00
(b) Issued, Subscribed and fully paid up share capital				
Equity shares of ₹ 10 /- each with voting rights (refer note (i) to (iv) below)	18,616,926	1,861.69	18,616,926	1,861.69
Total		1,861.69		1,861.69

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 March 2016		As at 31 March 2015	
	Number of shares	Amount in ₹ Lacs	Number of shares	Amount in ₹ Lacs
Equity shares (with voting rights)				
At the beginning of the year	18,616,926	1,861.69	16,822,668	1,682.27
Add: Issue during the year *	-	-	1,794,258	179.42
At the end of the year	18,616,926	1,861.69	18,616,926	1,861.69

*On 19 March 2015 the Company had allotted 1,794,258 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 entire proceeds of ₹ 147.80 crores from Qualified Institutional Placement ('QIP') (net of issue expenses) raised during the year ended 31 March 2015, pending utilisation for the objects of QIP - growth opportunities such as acquisitions, strategic initiatives, general corporate purposes and any other purposes as may be permissible under applicable law, remains invested in 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 March 2016	As at 31 March 2015
	Number of shares	Number of shares
ADI BPO Services Limited, the holding company	12,616,996	12,616,996

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

Class of share / Name of shareholder	As at 31 March 2016		As at 31 March 2015	
	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	12,616,996	67.77%	12,616,996	67.77%

Note 4 RESERVES AND SURPLUS

₹ in Lacs

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Securities premium account		
Opening balance	14,600.33	–
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	14,600.33
(b) Foreign currency translation reserve		
Opening balance	108.85	39.77
Add: Effect of foreign exchange rate variations during the year	138.64	69.08
Closing balance	247.49	108.85
(c) General reserve:		
Opening balance	1,449.06	862.05
Add: Transferred from surplus in Statement of Profit and Loss	705.25	587.01
Closing balance	2,154.31	1,449.06
(d) Surplus in Statement of Profit and Loss:		
Opening balance	7,590.68	6,588.81
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 23.8)	–	174.56
Add: Profit for the year	7,123.65	6,143.87
Less: Interim dividend	4,095.72	3,700.99
Less : Tax on dividends	833.79	679.44
Less: Transferred to general reserve	705.25	587.01
Closing balance	**9,079.57**	**7,590.68**
	26,081.70	**23,748.92**

Note 5 TRADE PAYABLE

₹ in Lacs

Particulars	As at 31 March 2016	As at 31 March 2015
Trade payables - Other than acceptances (Refer Note 23.2)		
(i) Outstanding dues of micro enterprises and small enterprises	–	–
(ii) Outstanding dues of creditors other than micro enterprises and small enterprises	1,187.72	1,112.52
	1,187.72	**1,112.52**

Note 6 OTHER CURRENT LIABILITIES

₹ *in Lacs*

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Income received in advance (Unearned revenue)	151.09	132.95
(b) Book overdraft	92.37	152.15
(c) Interest accrued but not due	36.71	36.71
(d) Other payables:		
(i) Statutory remittances	132.82	110.02
(ii) Payables on purchase of fixed assets	–	4.14
(iii) Advances from customers	–	25.05
(iv) Others :		
Compensated absences	28.58	12.69
Gratuity	128.64	90.81
Rent equalisation reserve	–	7.42
Others	368.49	386.19
	938.70	**958.13**

Note 7 SHORT-TERM PROVISIONS

₹ *in Lacs*

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Provision for tax (net of advance tax of ₹ 3,393.76 lacs)	115.64	352.70
(b) Provision for Compensated absences	4.82	–
(c) Provision for service tax (Refer Note 28)	144.63	139.39
	265.09	**492.09**

Note 8 FIXED ASSETS

₹ *in Lacs*

A. Tangible assets (Owned)	Gross Block					Accumulated Depreciation							Net Block	
	Balance as at 01 April 2015	Additions / Adjustments	Disposals / Adjustments	Effect of foreign currency exchange differences	Balance as at 31 March 2016	Balance as at 1 April 2015	For the year	Disposals / Adjustments	Effect of foreign currency exchange differences	Transition adjustment recorded as exceptional income	Transition adjustment recorded against surplus balance in statement of profit and loss	Balance as at 31 March 2016	As at 31 March 2016	As at 31 March 2015
(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	370.44	24.07	–	–	–	–	394.51	1,035.90	1,059.97
	(1,430.41)	(–)	(–)	(–)	(1,430.41)	(769.80)	(24.01)	(–)	(–)	(423.37)	(–)	(370.44)	(1,059.97)	(660.61)
(c) Plant and equipment	3,586.34	576.92	279.79	4.97	3,888.44	2,998.45	299.83	266.60	1.70	–	–	3,033.38	855.06	587.89
	(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)
(d) Furniture and Fixtures	409.86	19.24	52.48	(0.04)	376.58	376.96	28.75	48.76	0.63	–	–	357.58	19.00	32.90
	(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)
(e) Vehicles	86.92	–	–	–	86.92	33.81	13.17	–	–	–	–	46.98	39.94	53.11
	(109.92)	(0.03)	(23.03)	(–)	(86.92)	(56.66)	(16.65)	(14.29)	(–)	(25.51)	(0.30)	(33.81)	(53.11)	(53.26)
(f) Leasehold improvements	41.18	–	4.40	–	36.78	29.56	9.40	2.17	–	–	–	36.78	–	11.62
	(36.78)	(4.40)	(–)	(–)	(41.18)	(14.87)	(14.69)	(–)	(–)	(–)	(–)	(29.56)	(11.62)	(21.91)
Total (A)	**5,959.76**	**596.16**	**336.67**	**4.93**	**6,224.18**	**3,809.22**	**375.22**	**317.53**	**2.33**	**–**	**–**	**3,869.23**	**2,354.95**	**2,150.54**
Previous year	**(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)**

₹ *in Lacs*

B. Intangible assets (Owned)	Gross Block					Accumulated Depreciation							Net Block	
	Balance as at 01 April 2015	Additions / Adjustments	Disposals / Adjustments	Effect of foreign currency exchange differences	Balance as at 31 March 2016	Balance as at 1 April 2015	For the year	Disposals / Adjustments	Effect of foreign currency exchange differences	Transition adjustment recorded as exceptional income	Transition adjustment recorded against surplus balance in statement of profit and loss	Balance as at 31 March 2016	As at 31 March 2016	As at 31 March 2015
(a) Goodwill (Refer Note 22)	1,060.35	–	–	63.28	1,123.63	–	–	–	–	–	–	–	1,123.63	1,060.35
	(467.26)	(567.32)	(–)	(25.77)	(1,060.35)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(1,060.35)	(467.26)
(b) Computer software	1,805.81	89.88	–	1.63	1,897.32	1,753.47	36.94	–	1.90	–	–	1,792.31	105.01	52.34
	(1,794.58)	(9.80)	(–)	(1.43)	(1,805.81)	(1,634.58)	(118.89)	(–)	(–)	(–)	(–)	(1,753.47)	(52.34)	(160.00)
Total	**2,866.16**	**89.88**	**–**	**64.91**	**3,020.95**	**1,753.47**	**36.94**	**–**	**1.90**	**–**	**–**	**1,792.31**	**1,228.64**	**1,112.69**
Previous year	**(2,261.84)**	**(577.12)**	**(–)**	**(27.20)**	**(2,866.16)**	**(1,634.58)**	**(118.89)**	**(–)**	**(–)**	**(–)**	**(–)**	**(1,753.47)**	**(1,112.69)**	**(627.26)**
Total (A) ± (B)	**8,825.92**	**686.04**	**336.67**	**69.84**	**9,245.13**	**5,562.69**	**412.16**	**317.53**	**4.23**	**–**	**–**	**5,661.54**	**3,583.59**	**3,263.23**
Previous year	**(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)**

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

* The title deeds for land and building for basement, ground floor and first floor are in the name of Brigade Marketing Company Private Limited, erstwhile Company that was merged with Macmillan India Limited (now MPS Limited) in 2001 under section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable Hight Court.

Figures in brackets relate to previous year.

Note 9 LONG-TERM LOANS AND ADVANCES

₹ *in Lacs*

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Security deposits		
Unsecured, considered good (Refer Note (i) below)	279.31	263.09
Doubtful	–	135.76
	279.31	398.85
Less: Provision for doubtful deposits	–	135.76
	279.31	263.09
(b) Prepaid expenses - Unsecured, considered good	9.15	2.50
(c) Advance income tax (net of provisions of ₹ 6,527.57 lacs)	412.93	167.28
(d) Balances with government authorities - Unsecured, considered good		
(i) Service tax credit receivable	1,946.80	1,777.38
(ii) Others	36.53	36.53
	2,684.72	**2,246.78**

Note (i):

Includes ₹ 100 Lacs (As at 31 March 2015 ₹ 100 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises taken on rent.

Note 10 OTHER NON-CURRENT ASSETS

₹ *in Lacs*

Particulars	As at 31 March 2016	As at 31 March 2015
Balances held as margin money or security against guarantees	27.28	17.68
	27.28	**17.68**

Note 11 CURRENT INVESTMENTS

Particulars	As at 31 March 2016		As at 31 March 2015	
	Units in '000	₹ in Lacs	Units in '000	₹ in Lacs
Investment in mutual funds (Unquoted fully paid up)				
Birla Sun Life Floating Rate Fund-STP-DDP-Direct	–	–	0.78	0.78
Kotak Floater Short Term-DDP-Direct	–	–	40.00	404.67
Tata Money Market Fund -Direct Plan -Daily Dividend Reinvestment	–	–	20.10	201.35
Kotak Liquid Scheme Plan A - Direct Plan- Daily Dividend*	17.07	208.73	36.01	440.36
Birla Sun Life Cash Plus-Growth-Direct Plan	61.71	150.00	–	–
ICICI Prudential Liquid -Direct Plan Growth	89.25	200.00	–	–
Reliance Liquid Fund -Treasury Plan - Direct Growth Plan - Growth Option	5.42	200.00	–	–
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
ICICI Prudential Liquid -Regular Plan -Growth	–	–	968.92	2,000.00
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
Birla Sun Life Savings Fund - Regular Plan - Weekly Dividend - Reinvestment	1,926.11	1,931.08	–	–
HDFC Liquid Fund - Weekly Dividend - Reinvestment	158.84	1,640.13	–	–
HDFC Liquid Fund - Weekly Dividend- Reinvestment	219.99	2,269.68	–	–
ICICI Prudential Liquid - Weekly Dividend- Reinvestment	1,608.56	1,613.64	–	–
ICICI Prudential Flexible Income -Regular Paln- Weekly Dividend Reinvestment	1,827.37	1,928.30	–	–
Reliance Liquid Fund-Treasury Plan- Dividend Weekly- Reinvestment	105.33	1,611.89	–	–
Axis Liquid Fund - Dividend Weekly -Reinvestment	160.84	1,611.74	–	–
Kotak Liquid Scheme Plan A - (Regular Plan) Dividend Weekly Reinvestment	161.06	1,613.05	–	–
DSP Black Rock -Liquidity Fund-Institutional Plan-Dividend Weekly Reinvestment	192.22	1,923.63	–	–
	6,533.77	**16,901.87**	**49,963.34**	**15,903.66**
Aggregate market value (NAV) of investments		**16,914.08**		**15,943.42**

*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 March 2016 ₹ 1,222.81)

Note 12 TRADE RECEIVABLES (UNSECURED)

₹ in Lacs

Particulars	As at 31 March 2016	As at 31 March 2015
Trade receivable for a period exceeding six months		
Considered good	14.83	3.06
Doubtful	20.90	12.19
	35.73	15.25
Less: Provision for doubtful trade receivables	20.90	12.19
	14.83	3.06
Other trade receivables		
Considered good	4,481.72	3,929.48
Doubtful	14.76	2.66
	4,496.48	3,932.14
Less: Provision for doubtful trade receivables	14.76	2.66
	4,481.72	3,929.48
	4,496.55	**3,932.54**

Note 13 CASH AND CASH EQUIVALENTS

₹ in Lacs

Particulars	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
Balances with banks		
(i) In current accounts	1,078.35	833.15
(ii) In EEFC accounts	290.31	662.95
(iii) In demand deposit accounts	60.00	150.00
Total Cash and cash equivalents	**1,428.66**	**1,646.10**
Out of the above the balances that meet the definition of Cash and Cash equivalents as per AS 3 Cash Flow Statement is :	**1,428.66**	**1,646.10**

Note 14 SHORT-TERM LOANS AND ADVANCES

₹ in Lacs

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Security deposits		
Unsecured, considered good	1.13	0.45
Doubtful	1.27	1.56
	2.40	2.01
Less: Provision for doubtful deposits	1.27	1.56
	1.13	0.45
(b) Loans and advances to employees		
Unsecured, considered good	15.67	13.81
Doubtful	19.40	12.80
	35.07	26.61
Less: Provision for doubtful loans and advances	19.40	12.80
	15.67	13.81
(c) Prepaid expenses- Unsecured, considered good	229.53	203.98
(d) Balances with government authorities- Unsecured, considered good		
(i) VAT credit receivable	7.67	7.59
(e) Unrealised MTM gain receivable on forward covers	162.36	111.02
(f) Others		
Unsecured, considered good	16.22	25.72
	432.58	**362.57**

Note 15 OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Interest accrued on deposits	0.47	0.47
(b) Unbilled revenue	940.33	875.90
	940.80	**876.37**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 16 REVENUE FROM OPERATIONS

₹ *in Lacs*

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Sale of services		
(i) Exports (earning in foreign currency)	25,704.13	22,366.54
(ii) Domestic	16.86	20.62
	25,720.99	**22,387.16**

Note 17 OTHER INCOME

₹ *in Lacs*

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
(a) Interest income from bank on deposits	3.19	2.05
(b) Dividend income from current investments (mutual funds)	39.32	138.67
(c) Net gain on sale of current investment	1,308.74	–
(d) MTM and net gain on foreign currency transactions and translation	407.75	632.51
(e) Other non-operating income (Refer note (i) below)	78.45	302.15
	1,837.45	**1,075.38**

Note (i) Other non-operating income comprises:

₹ *in Lacs*

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
(a) Rental income from operating leases	–	125.87
(b) Liabilities no longer required written back	57.95	158.63
(c) Provisions on advances no longer required written back	15.76	–
(d) Provision for trade receivables no longer required written back	–	8.72
(e) Bad debts and advances recovered	0.06	0.33
(f) Profit on sale of fixed assets	1.11	–
(g) Miscellaneous income	3.57	8.60
	78.45	**302.15**

Note 18 EXCEPTIONAL INCOME

₹ *in Lacs*

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Impact due to change in accounting policy	–	772.05
	–	**772.05**

During the previous year 2014-15 , the Company had changed its accounting policy of providing depreciation on fixed assets. Effective 01 April 2014, depreciation is 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 01 April 2014 was credit of ₹ 772.05 Lacs which was shown as an "Exceptional Item" and deferred tax of ₹ 262 Lacs on this credit was included in tax expenses.

Note 19 EMPLOYEE BENEFITS EXPENSE

₹ *in Lacs*

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Salaries and wages	9,766.61	8,305.38
Contributions to provident and other funds	727.95	634.88
Staff welfare expenses	460.44	466.56
	10,955.00	**9,406.82**

Note 20 FINANCE COSTS

₹ *in Lacs*

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Interest expense on:		
(i) Income tax / service tax / VAT	11.40	26.93
(ii) Borrowings	–	0.11
(iii) Others	–	2.19
	11.40	**29.23**

Note 21 OTHER EXPENSES

₹ *in Lacs*

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
Consumables		24.74		51.10
Outsourcing cost		2,097.20		1,643.35
Power and fuel		419.29		433.82
Rent including lease rentals (Refer Note 27.1)		660.39		619.11
Hire charges		18.32		27.16
Repairs and maintenance - Buildings		275.75		283.61
Repairs and maintenance - Plant and machinery		265.40		245.49
Repairs and maintenance - Others		5.08		8.22
Insurance		39.54		35.79
Rates and taxes		47.96		29.11
Communication		331.87		265.70
Travelling and conveyance		565.51		585.73
Expenditure on corporate social responsibility		105.08		63.31
Legal and professional		217.56		191.96
Directors sitting fees		19.40		22.00
Commission to non-executive directors		60.60		58.00
Payments to auditors (Refer Note (i) below)		52.85		42.35
Bad trade receivables written off	12.80		60.90	
Less: Provision utilised for the above	9.22		36.84	
		3.58		24.06
Advances written off	120.05		52.44	
Less: Provision utilised for the above	120.00		3.87	
		0.05		48.57
Provision for doubtful trade and other receivables, loans and advances		36.34		62.63
Loss on fixed assets sold, scrapped & written off	16.60			18.42
Less: Provision utilised for the above	13.22			
		3.38		
Miscellaneous expenses		415.52		183.84
		5,665.41		**4,943.33**

Note (i)

₹ *in Lacs*

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Payments to the auditors comprises (net of service tax input credit, where applicable):		
To Statutory auditors		
(i) For Statutory Audit	25.00	20.00
(ii) For taxation matters	3.00	3.00
(iii) For other services	20.50	18.00
(iv) Reimbursement of expenses	4.35	1.35
	52.85	**42.35**

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

Note 22 BUSINESS PURCHASE

During the previous year, the subsidiary company (MPS NA LLC) had acquired the following assets from Electronic Publishing Services and TSI Evlove, Inc. vide Agreement effective 01 October 2014 and 29 March 2015 respectively. The amount paid by MPS NA LLC in excess of the net assets acquired is recognised as goodwill on acquisition, as detailed below:

₹ *in Lacs*

Particulars	As at 31 March 2016	As at 31 March 2015
Value of assets taken over:		
Plant and machinery	–	42.21
Furniture and fixtures	–	1.36
Work in process	–	54.73
TOTAL	–	**98.30**
Liabilities taken over	–	–
TOTAL	–	–
Net value of assets taken over	–	98.30
Purchase cost	–	665.62
Goodwill on acquisition	–	**567.32**

Note 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

₹ *in Lacs*

Note	Particulars	As at 31 March 2016	As at 31 March 2015
23.1	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
	Claims against the Company not acknowledged as debts		
	(a) Income tax	702.80	599.55
	(b) Service tax	266.70	564.98
	(c) Employee state insurance(ESI) and Provident fund (PF)	6.59	6.59
	(d) Other claims	211.02	196.40
	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.		

₹ *in Lacs*

	Commitments	As at 31 March 2016	As at 31 March 2015
(ii)	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	25.73	22.34
		25.73	**22.34**

23.2 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.

Note 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS *(contd...)*

23.3 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 ₹ (Lacs)
USD	72	Sell	5,031.86
	(72)		(4,675.56)
GBP	8	Sell	846.42
	(13)		(1,309.84)

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 March 2016		As at 31 March 2015	
Receivable in Foreign currency	Receivable Amt in ₹ Lacs	Receivable in Foreign currency	Receivable Amt in ₹ Lacs
AUD 237,092	120.18	AUD 74,073	35.21
GBP 556,814	529.53	GBP 0	–
EUR 67,344	50.75	EUR 118,398	79.55
USD 1,487,765	985.35	USD 1,327,990	829.99
ZAR 0	–	ZAR 6,341	0.32

As at 31 March 2016		As at 31 March 2015	
Payable in Foreign currency	Payable Amt in ₹ Lacs	Payable in Foreign currency	Payable Amt in ₹ Lacs
EUR 0	–	EUR 7,882	5.30
GBP 7,050	6.70	GBP 86,531	80.02
USD 660,331	437.33	USD 257,766	161.11

23.4 Value of imports calculated on CIF basis:

₹ in Lacs

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Capital goods	78.83	–

23.5 Expenditure in foreign currency:

₹ in Lacs

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Outsourcing cost	2,039.08	1,076.45
Salaries,wages and bonus	2,175.32	1,172.72
Rates and taxes	0.66	0.74
Rent	118.38	92.08
Legal and professional charges	68.58	59.39
Repairs and maintainence	34.65	20.95
Travel	193.24	157.42
Communication	171.06	114.94
Others	271.74	111.08
	5,072.71	**2,805.77**

Note 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS *(contd...)*

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

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

23.8 During the previous year 2014-15, pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company had 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 01 April 2014, and had 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 24 EMPLOYEE BENEFIT PLANS

1.a. Defined contribution plans

The Company makes contributions to Provident Fund , Superannuation Fund and Employee State Insurance (ESI) Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 399.52 Lacs (Previous year ₹ 367.44 Lacs.) for Provident Fund contributions, ₹ 6.30 Lacs (Previous year ₹ 6.30 Lacs.) for Superannuation Fund contributions and ₹ 82.62 Lacs (Previous year ₹ 70.40 Lacs) for ESI in the Statement of Profit and Loss. The 401k contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

1.b. Defined benefit plans

The Company offers the following employee benefit scheme 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:

₹ *in Lacs*

Particulars	As at 31 March 2016	As at 31 March 2015
Components of employer expense		
Current service cost	50.83	41.01
Interest cost	36.98	34.24
Expected return on plan assets	(30.05)	(30.06)
Actuarial losses	73.88	89.95
Total expense recognised in the Statement of Profit and Loss	**131.64**	**135.14**
Actual contribution and benefit payments for year		
Actual benefit payments	(63.49)	(71.69)
Actual contributions	90.16	71.27
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(560.60)	(463.34)
Fair value of plan assets	432.30	376.51
Funded status [Surplus / (Deficit)]	(128.30)	(86.83)
Net asset / (liability) recognised in the Balance Sheet	**(128.30)**	**(86.83)**
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	463.34	368.52
Current service cost	50.83	41.01
Interest cost	36.98	34.24
Actuarial (gains) / losses	72.94	91.26
Benefits paid	(63.49)	(71.69)
Present value of DBO at the end of the year	**560.60**	**463.34**

Note 24 EMPLOYEE BENEFIT PLANS *(contd...)*

₹ in Lacs

Particulars	As at 31 March 2016	As at 31 March 2015
Change in fair value of assets during the year		
Plan assets at beginning of the year	376.51	345.56
Expected return on plan assets	30.05	30.06
Actual company contributions	90.16	71.27
Actuarial gain / (loss)	(0.93)	1.31
Benefits paid	(63.49)	(71.69)
Plan assets at the end of the year	**432.30**	**376.51**
Actual return on plan assets	29.11	31.37
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	7.56%	7.98%
Expected return on plan assets	7.56%	7.98%
Salary escalation	6.00%	6.00%
Attrition	Employee Grade wise trend	
Estimated amount of contribution in the next year	₹ 196.29 Lacs	₹ 137.66 Lacs

Experience adjustments	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Present value of DBO	560.60	463.34	375.53	382.77	361.12
Fair value of plan assets	432.30	376.51	345.55	356.20	433.45
Funded status [Surplus / (Deficit)]	(128.30)	(86.83)	(29.98)	(26.57)	72.33
Experience gain / (loss) adjustments on plan liabilities	(34.34)	(46.14)	35.42	43.29	(6.84)
Experience gain / (loss) adjustments on plan assets	(0.93)	1.31	(1.41)	(2.33)	5.09

ii. Long term compensated absences as at 31 March 2016 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 March 2016	As at 31 March 2015
Actuarial assumptions		
Discount rate	7.56%	7.98%
Expected return on plan assets	7.56%	7.98%
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.

Note 25 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:

₹ *in Lacs*

Revenue by location of geographical customer	For the year ended 31 March 2016	For the year ended 31 March 2015
India	16.86	20.62
Europe	11,691.49	9,407.91
USA	13,458.23	12,548.93
Rest of the World	554.41	409.70
Total	**25,720.99**	**22,387.16**

₹ *in Lacs*

Carrying amount of Segment Assets by geographical location	As at 31 March 2016	As at 31 March 2015
India	21,223.39	22,695.94
Europe	4,198.55	1,591.46
USA	5,017.47	3,875.28
Rest of the World	62.49	86.25
Total	**30,501.90**	**28,248.93**

₹ *in Lacs*

Cost incurred for purchase of Tangible Assets and Intangible Assets by geographical location	As at 31 March 2016	As at 31 March 2015
India	684.41	278.12
USA	1.63	617.66
Total	**686.04**	**895.78**

Note 26 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)Company Under Common Control	ADI Media Private Limited
(iii) Subsidiary Company	MPS North America LLC
(iv) Key Management Personnel (KMP)	Mr. Nishith Arora, Chariman and Managing Director till 25 May 2015, Executive Chairman and Whole time Director w. e. f. 25 May 2015 till date
	Mr. Rahul Arora, Whole Time Director till 24 May 2015, Chief Executive Officer and Whole Time Director w.e.f. 25 May 2015 till date
	Mrs. Yamini Tandon, Whole Time Director (w.e.f 11 August 2014 till 08 May 2015) and Non - Executive Director w.e.f. 03 August 2015 till date.
(iv) Relatives of KMP	Mrs. Yamini Tandon, Vice President-Service Delivery (w.e.f 17 February 2014 till 10 August 2014)

Note 26 RELATED PARTY TRANSACTIONS *(contd...)*

b. Details of related party transactions during year ended 31 March 2016 and balances outstanding as at 31 March 2016:

₹ in Lacs

Particulars	Holding Company	Company Under Common Control (Refer note 3)	KMP	Relatives of KMP	Total
Purchase of fixed assets	–	–	–	–	–
	(8.45)	(–)	(–)	(–)	(8.45)
Rentals Paid	305.49	–	–	–	305.49
	(285.49)	(–)	(–)	(–)	(285.49)
Dividend	2,775.74	–	–	–	2,775.74
	(2,775.74)	(–)	(–)	(–)	(2,775.74)
Remuneration to Key Management Personnel					
Nishith Arora	–	–	69.09	–	69.09
	(–)	(–)	(159.89)	(–)	(159.89)
Rahul Arora	–	–	108.35	–	108.35
	(–)	(–)	(48.56)	(–)	(48.56)
Yamini Tandon	–	–	3.04	–	3.04
	(–)	(–)	(18.49)	(10.56)	(29.05)
Balances outstanding as at 31 March 2016					
Security deposit placed	100.00	–	–	–	100.00
	(100.00)	(–)	(–)	(–)	(100.00)

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

3. Rent free premises taken by the Company.

Note 27.1 DETAILS OF LEASING ARRANGEMENTS

₹ in Lacs

Note	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	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:	660.39	619.11
	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
	later than one year and not later than five years	–	–
	later than five years	–	–
		–	**101.25**

Note 27.2 EARNINGS PER EQUITY SHARE

Note	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	Basic and Diluted		
	Net profit for the year / period attributable to the equity shareholders (₹ in Lacs)	7,123.65	6,143.87
	Weighted average number of equity shares	1,86,16,926	1,68,86,573
	Par value per share (₹)	10.00	10.00
	Earnings per share - Basic and Diluted (₹)	**38.26**	**36.38**

Note 27.3 DEFERRED TAX (LIABILITY) / ASSETS

₹ *in Lacs*

Note	Particulars	As at 31 March 2016	As at 31 March 2015
	Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets:	(218.07)	(168.59)
		(218.07)	**(168.59)**
	Tax effect of items constituting deferred tax asset		
	Provision for compensated absences, gratuity and other employee benefits	39.92	36.52
	Provision for doubtful trade receivables / advances	12.15	57.09
	Others	(1.00)	(0.60)
		51.07	**93.01**
	Deferred tax liabilities (net)	**(167.00)**	**(75.58)**

Note 28 DETAILS OF PROVISIONS

The Company has made provision for pending litigation matter based on its assessment of the amount it estimates to incur to meet such obligation, details of which are given below:

₹ *in Lacs*

Particulars	As at 01 April 2015	Additions	Utilisation	As at 31 March 2016
Provision for Service tax matters	139.39	5.24	–	144.63
	(134.57)	(4.82)	(–)	(139.39)
Total	**139.39**	**5.24**	**–**	**144.63**
	(134.57)	**(4.82)**	**(–)**	**(139.39)**

Note: Figures in brackets relate to the previous year.

Of the above, the following amounts are expected to be incurred within a year:

₹ *in Lacs*

Particulars	As at 31 March 2016	As at 31 March 2015
Provision for service tax matters	144.63	139.39

Note 29 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 30 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

Rahul Arora
Chief Executive Officer
DIN: 05353344

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer

Hitesh Jain
Company Secretary

Place : Gurgaon
Dated: 17 May 2016

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 2015-16
Reporting currency and exchange rate as on the Financial Year ended on March 31, 2016	₹ 66.23 = USD 1
Share capital	₹ 2,423.96
Reserves & surplus	₹. 456.65
Total assets	₹ 3,222.02
Total Liabilities	₹ 3,222.02
Investments	Nil
Turnover	₹ 3,740.81*
Profit before taxation	₹ 126.92*
Provision for taxation	₹ 55.78*
Profit after taxation	₹ 71.14*
Proposed Dividend	Nil
% of shareholding	100%

*Converted at monthly average exchange rates.

For and on behalf of the Board of Directors

Rahul Arora
Chief Executive Officer
DIN: 05353344

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer

Hitesh Jain
Company Secretary

Place : Gurgaon
Dated: 17 May 2016

NOTICE

NOTICE is hereby given that the 46th Annual General Meeting of the members of MPS Limited (**MPS** or the **Company**) will be held on **Tuesday, July 19, 2016 at 3.00 p.m.** at The Raintree Hotels, 636 Anna Salai, Teynampet, Chennai – 600 035, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements, including Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended on that date, both on standalone and consolidated basis, along with the Reports of the Board of Directors and Auditors' thereon.

2. To note the three Interim Dividends, aggregating to ₹22.00 per equity share, paid during the financial year ended March 31, 2016, and confirm them as final dividend for the financial year 2015-16.

3. To appoint a Director in place of Mr. Nishith Arora (DIN: 00227593), 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 the Statutory Auditors of the Company:

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and all 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. M/s BSR & Co. LLP (Firm Registration No.: 101248W/W-100022), Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company, in place of outgoing Statutory Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants, Gurgaon (Firm Registration No. 015125N), to hold office for a period of five consecutive years from the conclusion of this 46th Annual General Meeting till the conclusion of 51st Annual General Meeting, to be held in the calendar year 2021 (subject to ratification of their appointment by the members of the Company at every Annual General Meeting held after this Annual General Meeting), on such remuneration as shall be decided 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 Ms. Yamini Tandon (DIN: 06937633) as Non-Executive 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), Ms. Yamini Tandon (DIN: 06937633) 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, holding office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation."

6. To convey assent or dissent to the following resolution as **Special Resolution** for the payment of commission to Non – Executive Directors of the Company:

   "**RESOLVED THAT** pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (**Act**) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and the Articles of Associations of the Company, a sum not exceeding 1% (one percent) of the net profits of the Company per financial year, in case where there is Managing / Whole Time Directors and not exceeding 3% (three percent) of the net profits of the Company per financial year in other case, calculated in accordance with the provisions of Section 198 of the Act, be paid and distributed amongst the Directors of the Company or some or any of them (other than the Managing and Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors, at its discretion, and such payments shall be made with respect to the profits of the Company for each financial year, for a period of five years, commencing from April 01, 2016 to March 31, 2021."

By Order of the Board

Place: Gurgaon
Date: May 17, 2016

Hitesh Kumar Jain
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 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN 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. A statement pursuant to Section 102(l) of the Companies Act, 2013, setting out details relating to Special Business to be transacted at the AGM is annexed hereto.

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

4. Members are requested to bring their copies of the Annual Report at the time of attending the AGM as no copy of Annual Report shall be made available at the AGM venue.

5. Members/Proxies should complete and handover the duly signed attendance slips at the entrance of the AGM to record their attendance.

6. 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.

7. During the financial year 2015-16, the Company has paid three interim dividends, viz. first interim dividend of ₹7 per share, declared on July 20, 2015, second interim dividend of ₹7 per share, declared on October 26, 2015 and the third interim dividend of ₹8 per share, declared on January 27, 2016, aggregating to an amount of ₹22 per share, which the Board of Directors commends to be noted and confirmed as the final dividend for the financial year 2015-16.

8. In terms of Section 152 of the Companies Act, 2013, Mr. Nishith Arora (DIN: 00227593) 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 Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, are provided in the Annexure to this Notice.

9. As per the provisions of Section 139(2) of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, an audit firm functioning as the Statutory Auditor of the company for 10 years or more, cannot be re-appointed as the Statutory Auditors of the same company, for 5 years from the completion of such term. The existing companies have been given 3 years transition period to comply with this requirement.

   M/s. Deloitte Haskins & Sells (firm registration no. 015125N), Chartered Accountants (DHS), have been the Statutory Auditors of the Company for more than 10 years. Therefore, to comply with the requirements of the Companies Act, 2013 and to facilitate the smooth transition from the outgoing Statutory Auditors to new Statutory Auditors, the Company proposed to appoint M/s BSR & Co. LLP (firm registration no.: 101248W/W-100022), Chartered Accountants, as the Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of the 46th AGM till the conclusion of the 51st AGM to be held in the calendar year 2021, subject to ratification of their appointment at each AGM to be held after the 46th AGM.

   M/s BSR & Co. LLP has conveyed their consent and also eligibility for being appointed as the Statutory Auditors of the Company. Accordingly the Board of Directors recommends the resolution set forth at Item No. 4 of the accompanying Notice for the approval of the members as an Ordinary Resolution.

10. The Register of Members and Share Transfer Books of the Company shall remain closed from **Tuesday, June 28, 2016** to **Wednesday, June 29, 2016** (both days inclusive) for the purpose of the AGM.

11. 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.

12. Members may please note that pursuant to the provisions of Sections 205 A (5) and 205 C 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, 2009 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) of the Central Government. 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 calendar year ended December 31, 2010 and any subsequent calendar/financial year(s) are requested to make a claim to the Company.

13. 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). 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 with respect of the Unclaimed Dividends and for the calendar/financial years from 2009, as on the date of the 45th AGM held on July 20, 2015, 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.**

14. Members are advised to avail 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 in their address/bank account details/ECS particulars to the Company's RTA.

    ii. Members holding shares in the demat mode are requested to notify any change in their address/bank account details/ ECS particulars to their respective DP and ensure that such changes are recorded by them correctly.

15. 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.

16. All relevant documents referred to in the accompanying Notice and statement under Section 102 of the Companies Act, 2013, 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 during the meeting.

17. 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.

18. Electronic copy of the Notice of the 46th AGM of the Company *interalia* indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form and the Annual Report of the Company for the financial year 2015-16 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 46th AGM of the Company *interalia* indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form and the Annual Report of the Company for the financial year 2015-16 is being sent through permitted mode of dispatch.

19. **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 communications including Annual Reports, Notices, etc. from the Company electronically.**

20. Members may also note that the Notice of the 46th AGM and the Annual Report for the finacial year 2015-16 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 members may also send requests to the Company's RTA.

21. **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 Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members, facility to exercise their right to vote at the 46th AGM by electronic means and the business mentioned in the Notice may be transacted through remote e-voting. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM (remote e-voting) will be provided by 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.

Instructions for members for voting electronically are as under:

A. In case of members receiving e-mail:

(i) **The voting period begins on Saturday, July 16, 2016 (9:00 AM) (IST) and ends on Monday, July 18, 2016, (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 Tuesday, July 12, 2016, may cast their vote electronically.** The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

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

(iv) Click on Shareholders.

(v) 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.

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

(vii) 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.

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

Particulars	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 sequence number in the PAN field. ■ In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. ■ If both 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 (v).

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

(x) 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 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.

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

(xii) Click on the EVSN '160607005' of MPS Limited.

(xiii) 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.

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

(xv) 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.

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

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

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

(xix) **Shareholders can also cast their vote electronically using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after June 30, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xx) **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.
- 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 a compliance user should be created, using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be e-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 (xx) in point A above to cast vote.

(xxi) **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.**

22. 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. Tuesday, July 12, 2016.**

23. 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 shall only be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

24. 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.**

25. 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 remote e-voting and physical voting process in a fair and transparent manner.

26. 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.

27. 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 within 48 hours from 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.

28. 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.

28. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM i.e. Tuesday, July 19, 2016.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

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

Item no. 5:

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 appointed Ms. Yamini Tandon as an Additional Director (Non-Executive) of the Company, w.e.f. August 03, 2015. As an Additional Director, Ms. Yamini Tandon would hold office of Director upto the date of 46th 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 Ms. Yamini Tandon for the office of Director (Non-Executive), liable to retire by rotation.

Ms. Yamini Tandon is a graduate from Lady Shri Ram College for Women and a Post Graduate from Indian School of Business, Hyderabad with specialization in Marketing and Strategy. Ms. Yamini Tandon has 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.

Ms. Yamini Tandon is not disqualified for being appointed as a Non-Executive Director of the Company in terms of Section 164 of the Act.

Additional Information, required under Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 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 Ms. Yamini Tandon's expertise and experience will be beneficial to the Company.

Ms. Yamini Tandon is also serving as Senior Vice President, School Education at MPS North America, LLC (Subsidiary Company). Ms. Yamini Tandon will not be receiving any remuneration from the Company.

Except Ms. Yamini Tandon herself, to whom the resolution relates, Mr. Rahul Arora, husband and Mr. Nishith Arora, father-in-law, being relatives to Ms. Yamini Tandon, none of the Directors and Key Managerial Personnel and any of their relatives is deemed to be concerned or interested in the passing of this resolution.

The Board of Directors of the Company recommends the resolution set forth at Item no. 5 of the accompanying Notice, for the approval of the members as an **Ordinary Resolution.**

Item no. 6:

Section 197 of the Companies Act, 2013 (the **Act**) permits payment of remuneration to Non-Executive Directors of a company by way of commission. The members of the Company at the 42nd Annual General Meeting held on August 03, 2012, had approved the payment of remuneration payable to Non-Executive Directors of the Company by way of commission not exceeding 1% (one percent) in case where there is Managing/Whole Time Director and 3% (three percent) in other case, of the net profits of the Company for each year for a period of five years commencing from April 01, 2011, to be allocated in such manner as may be determined by the Board of Directors.

As the earlier approval accorded by the members at the 42nd Annual General Meeting was valid till the financial year ended on March 31, 2016, fresh approval is being sought from the members for the payment of remuneration to Non-Executive Directors by way of commission.

Considering the rich experience and expertise brought to the Board by the Non-Executive Directors and also the enhanced role of the Non-Executive Directors introduced by the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is proposed that, remuneration not exceeding 1% (one percent) of the net profits of the Company in case the Company has Managing / Whole Time Directors and not exceeding 3% (three percent) of the net profits of the Company in other case, calculated in accordance with Section 198 of the Act, be continued to be paid and distributed among the Non-Executive Directors of the Company. Such commission shall be paid and distributed among all or some of the Non-Executive Directors in each financial year for a period of five years commencing from April 01, 2016, in such manner and proportions and at such times and intervals as may be decided by the Board of Directors of the Company. In addition, the Non-Executive Independent Directors are paid sitting fees for attending meetings of the Board of Directors and Committees thereof.

Details of commission and sitting fees paid to Non-Executive Independent Directors, during the financial year 2015-16, are provided in the Directors Report and the Corporate Governance Report.

Except all of the Non-Executive Directors of the Company to whom the resolution relates, none of the Directors, Key Managerial Personnel, or their respective relatives are concerned or interested in Resolution mentioned at Item No. 6 of the Notice.

The Board of Directors of the Company recommends the resolution set forth at Item No. 6 of the accompanying Notice, for the approval of the members as a **Special Resolution.**

By Order of the Board

Place: Gurgaon
Date: May 17, 2016

Hitesh Kumar Jain
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

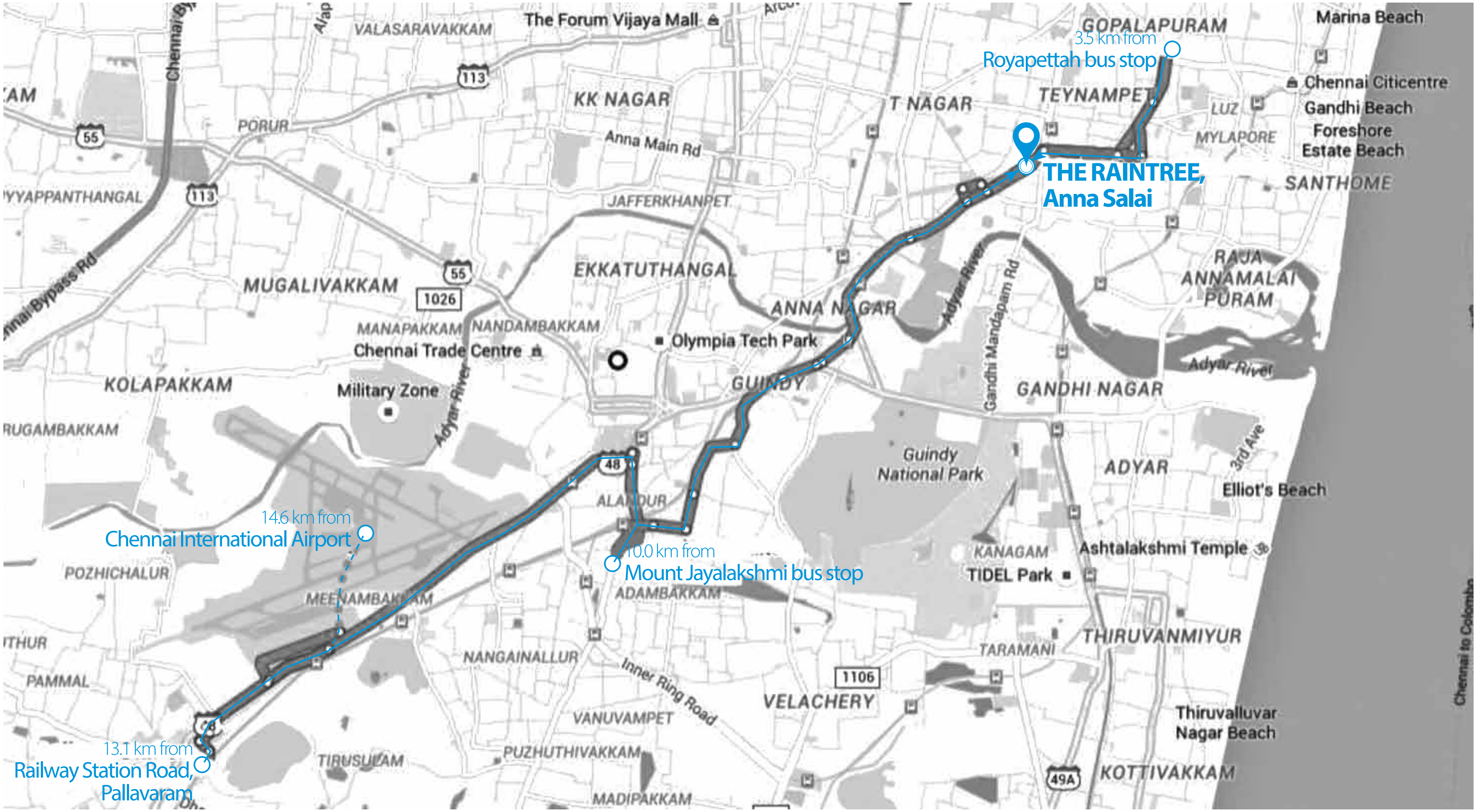
(For Items No. 3 and 5)

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 26 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AND SECRETARIAL STANDARD ON GENERAL MEETINGS:

Particulars	Mr. Nishith Arora	Ms. Yamini Tandon
Date of Appointment	May 25, 2015	August 03, 2015
Age	58 Years	29 Years
Last gross remuneration (during financial year 2015-16)	₹69.09 lacs	3.04 lacs
Qualifications	Graduation in Economics from Delhi University, PGDBM from IIM, Ahmedabad and 3-year Owner President Management program at Harvard Business School.	Graduation in Political Science from Lady Shri Ram College for Women, New Delhi, Post Graduate Program in Management from Indian School of Business, Hyderabad with specialization in Marketing and Strategy.
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.	Ms. Tandon has 7 years of experience with specialization in Marketing and Strategy.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Rahul Arora – Son Ms. Yamini Tandon – Daughter-in-Law	Mr. Rahul Arora – Husband Mr. Nishith Arora – Father-in-Law
Number of Meetings of the Board attended during the year	4 Meetings	2 Meetings
Directorships held in other Public Limited Companies in India	ADI BPO Services Limited	Nil
*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 Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 viz. Audit Committee and Stakeholders' Relationship Committee.

ROUTE MAP FOR THE VENUE OF THE ANNUAL GENERAL MEETING



NOTES

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MPS Limited

Registered Office: RR Towers IV, Super A, 16/17 Thiru-vi-ka Induatrial 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 and Address:			
Joint Holders:			
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 **46th Annual General Meeting** of the Company held on **Tuesday, July 19, 2016 at 3:00 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 / Authorized Representative (IN BLOCK LETTERS)	Signature of the Registered Holder/Proxy / Authorized Representative

NOTE: Members/Proxies to members/Authorized Representative 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 Induatrial Estate, Guindy, Chennai – 600 032
CIN: L22122TN1970PLC005795, Phone: 0120-4599754 Fax: 0120- 4021280
Email ID: investors@adi-mps.com, Website: www.adi-mps.com

Form No. MGT -II

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 and Address:			
Joint Holders:			
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 **46th Annual General Meeting** of the Company to be held on **Tuesday, July 19, 2015 at 3:00 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 overleaf:

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 three Interim Dividends as Final dividend		
3.	Re-appointment of Mr. Nishith Arora, who retires by rotation		
4.	Appointment of Statutory Auditors and fixing their remuneration		
5.	Appointment of Ms. Yamini Tandon as a Non – Executive Director		
6.	Payment of Commission to Non – Executive Directors		

Signed this………………............………… day of…..........…… 2016

Affix Re. 1 Revenue Stamp

Signature of shareholder:..

Signature of Proxy holder(s): ....

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, Explanatory Statement and Notes, please refer to the Notice of the 46th Annual General Meeting.

* This is only 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.

Smart, cloud-based digital publishing platform

MPS

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

digi edit — Intuitive Online Editing

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

digi comp — Automated Composition

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

digi XML — Multi-Format Transformation

- Advanced blackbox structuring & XML generation from normalized input files
- XML transformation engine
- Publisher-specific XML/Schema output
- EPUB and MOBI output
- Integrated validation and QC tools
- Round-trip XML to Word
- Feed for mobile apps

digi enhance — Engaging Media-Based Content Enhancement

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

digi ready — Distribution and Delivery

- Integration with publisher's CMS and third-party systems
- Content Store – eBook delivery and distribution platform by MPS
- Distribution to other online platforms
- Browse, rent, and purchase
- Global content formats
- Integrated eCommerce
- DRM services
- Rich usage analytics

MPS trak — Workflow Management

- Integrated content management module
- Global visibility of end-to-end workflows
- Production schedule generation and automatic updates
- Configurable workflows to track any content item
- Integrated author centre
- Integration with vendor systems
- Comprehensive reporting

Highly Intuitive User Interface
The development and enhancements of the platform have been driven by feedback from live production environments resulting in a highly intuitive user interface

Reduce Time-to Market
Automation of work assignments, completion, movement to the next stage in the workflow, and data transfer with integrated vendor systems reduce time to publish

Savings through Streamlined Workflows
Automation of workflow management, profit & loss calculations and report generation reduce existing manpower cost

Drive Change by the Business
Configurable & non-redundant business processes controlled by production managers help avoid dependence on tech support

MPS

MPS Limited
CIN: L22122TN1970PLC005795
C 35, Sector 62, Noida 201 307, Uttar Pradesh, INDIA
Tel: +91 120 4021 200 Fax: +91 120 4021 280
Website: www.adi-mps.com

For further information or to schedule a demo on DigiCore please contact:
marketing@adi-mps.com or meet us at **Stand 7H48**

MPS LIMITED
REGISTERED OFFICE:
RR Towers IV, Super A, 16/17, TVK Industrial Estate,
Guindy, Chennai - 600 032, Tamil Nadu, India
CIN: L22122TN1970PLC005795
W: www.adi-mps.com
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