Placement Document
Not for circulation
Private and confidential
Serial No. ___

MPS LIMITED

MPS Limited was incorporated in the Republic of India under the provisions of Companies Act, 1956 on January 19, 1970 with Registration No 005795. Our company's corporate identification number is L22122TN1970PLC005795. Registered Office R R Tower IV, Super A, 16/17, Thiru – VI – KA Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu, India. Tel: +91– 44 –4916 2222; Fax: +91– 44 – 4916 2225; Corporate Office C - 35, Sector – 62, Noida – 201 307, Uttar Pradesh, India. Tel: +91– 120 –459 9754; Fax: +91 – 120–402 1280 Email: investors@adi-mps.com.

MPS Limited (the "**Company**" or "**Issuer**") is issuing 17,94,258 equity shares of face value ₹10 each (the "**Equity Shares**") at a price of ₹ 836 per Equity Share, including a premium of ₹ 826 per Equity Share, aggregating ₹ 15,000 Lacs (the "**Issue**").

ISSUE IN RELIANCE UPON CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER.

THIS ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED UNDER THE SEBI ICDR REGULATIONS ("QIBs") IN RELIANCE UPON CHAPTER VIII OF THE SEBI ICDR REGULATIONS AND SECTION 42 OF THE COMPANIES ACT, 2013, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE BUYER AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QIBs. THIS PLACEMENT DOCUMENT WILL BE CIRULATED ONLY TO SUCH QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORIZED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

Invitations and subscription of the Equity Shares shall only be made pursuant to the Preliminary Placement Document together with the Application Form, the Confirmation of Allocation Note and this Placement Document. See the chapter titled "***Issue Procedure***" beginning on page 111. The distribution of this Placement Document or the disclosure of its contents without our Company's prior consent to any person other than Qualified Institutional Buyers (as defined in the SEBI ICDR Regulations) and persons retained by Qualified Institutional Buyers to advise them with respect to their purchase of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THIS ISSUE UNLESS THEY ARE PREPARED TO RISK LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE CHAPTER TITLED "*RISK FACTORS*" BEGINNING ON PAGE 36 BEFORE MAKING AN INVESTMENT DECISION IN THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES TO IT OF AN INVESTMENT IN THE EQUITY SHARES PROPOSED TO BE ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT.

Our Company's outstanding Equity Shares are listed on the BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**") (the BSE and the NSE collectively the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on the BSE and the NSE on March 13, 2015 was ₹ 883.50 and ₹ 882.80 per Equity Share, respectively. We have received in-principle approval under clause 24(a) of the Listing Agreement to list our Equity Shares from the BSE and the NSE. Applications will be made for the listing of the Equity Shares offered through the Preliminary Placement Document on the Stock Exchanges. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of the business of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.

A copy of the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) has been delivered to the Stock Exchanges. A copy of this Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) will be filed with the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, Tamil Nadu, Chennai (the "**RoC**") and the Securities and Exchange Board of India ("**SEBI**") within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

This Placement Document has not been reviewed by SEBI, the Reserve Bank of India (the "RBI"), the Stock Exchanges, the RoC or any other regulatory or listing authority. The Equity Shares offered in this Issue have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of this Placement Document. This Placement Document has not been and will not be registered as a prospectus with any Registrar of Companies in India, will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. This Placement Document will be circulated or distributed to Qualified Institutional Buyers (as defined in the SEBI ICDR Regulations), only and will not constitute an offer to any other class of investors in India or any other jurisdiction.

Information on our Company's website or any website directly or indirectly linked to our Company's website or the websites of the Book Running Lead Manager or its affiliates does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, such websites.

The Equity Shares in this Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**"), and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where those offers and sales occur. For a description of these and certain further restrictions on offers, sales and transfers of the Equity Shares and distribution of this Placement Document, see "***Notice to Investors***", "***Distribution and Solicitation Restrictions***" and "***Transfer Restrictions***" beginning on pages 2, 122 and 131, respectively.

This Placement Document is dated March 19, 2015.

BOOK RUNNING LEAD MANAGER

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and to the best of its knowledge and belief, having made all reasonable enquiries, we confirm that this Placement Document contains all information with respect to our Company, its Subsidiary and the Equity Shares, which is material in the context of this Issue. The statements contained in this Placement Document relating to our Company, its Subsidiary and the Equity Shares are, in all material respects, true and accurate and not misleading. The opinions and intentions expressed in this Placement Document with regard to our Company, its Subsidiary and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to us, and on reasonable assumptions. There are no other facts in relation to our Company, its Subsidiary and the Equity Shares, the omission of which would, in the context of this Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by our Company to ascertain such facts and to verify the accuracy of all such information and statements.

The Book Running Lead Manager ("**BRLM**") has not separately verified all the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the BRLM nor any of its shareholders, employees, legal counsels, officers, directors, representatives, agents or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLM, or by any of their shareholders, employees, legal counsels, officers, directors, representatives, agents or affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the issue of the Equity Shares or their distribution. Each person receiving this Placement Document acknowledges that such person has neither relied on the BRLM nor on any of their shareholders, employees, legal counsels, officers, directors, representatives, agents or affiliates or on any person affiliated with the BRLM in connection with its investigation of the accuracy of such information, representation or its investment decision, and each such person must rely on its own examination of our Company, its Subsidiary and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorized to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or the BRLM. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than QIBs whose names are recorded by our Company prior to the invitation to subscribe to this Issue (in consultation with the BRLM or its representatives) and those retained by QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any other federal or state authorities in the United States or the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary may be a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and unless so registered may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales occur. For a description of these and certain further restrictions on offers, sales and transfers of the Equity Shares and distribution of this Placement Document, see

"*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" beginning on pages 122 and 131, respectively.

This Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the BRLM which would permit an offering of the Equity Shares or distribution of this Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares in this Issue may not be offered or sold, directly or indirectly, and neither this Placement Document nor any other Issue related materials in connection with the Equity Shares, may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Equity Shares are being offered and sold outside India only in accordance with the restrictions described under the sections titled ***"Distribution and Solicitation Restrictions***" and ***"Transfer Restrictions***" beginning on pages 122 and 131, respectively.

The information contained in this Placement Document has been provided by our Company and other sources identified herein. Distribution of this Placement Document to any person other than the investors specified by the BRLM or its representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. The distribution of this Placement Document and the issue of the Equity Shares in certain jurisdictions may be restricted by law.

Any reproduction or distribution of this Placement Document in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

In making an investment decision, prospective investors must rely on their own examination of our Company, its Subsidiary and the terms of this Issue, including the merits and risk involved. Investors should not construe the contents of this Placement Document as business, investment, legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning this Issue. In addition, neither our Company nor the BRLM is making any representation to any investor, purchaser, offeree or subscriber of such Equity Shares pursuant to this Issue, regarding the legality of an investment in the Equity Shares in this Issue by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. Each such investor, subscriber, offeree or purchaser of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that they are eligible to invest in India and in our Company under Indian law, including Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, and that it is not prohibited by SEBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in the securities or otherwise accessing the capital markets in India including the Equity Shares. Each subscriber of the Equity Shares in this Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents. All references herein to "you" or "your" is to the prospective investors of the Issue.

The information on our Company's website, www.adi-mps.com, or any website directly or indirectly linked to our Company's website or the website of the BRLM or its affiliates does not constitute or form part of this Placement Document. Prospective investors should not rely on such information contained in, or available through, such websites.

REPRESENTATIONS BY INVESTORS

References herein to "you" or "your" in this section are to the prospective investors in this Issue.

By bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the BRLM, as follows:

- You are a qualified institutional buyer as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations ("**QIB**"), and not excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are allocated to you for the purposes of your business in accordance with Chapter VIII of the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including reporting obligations;

- You are authorized to consummate the subscription of the Equity Shares in the Issue in compliance with all applicable laws and regulations;

- If you are not a resident of India, but a QIB or you are an Eligible FPI (as defined hereinafter) or an FII (including a sub-account other than a sub-account which is a foreign corporate or a foreign individual) or an FVCI, in each case having a valid and existing registration with the SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by the SEBI or any other regulatory authority, from buying, selling or dealing in securities;

- You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws;

- If you are allotted Equity Shares pursuant to this Issue, you shall not, for a period of one year from date of Allotment, sell the Equity Shares so acquired, except on the floor of the Stock Exchanges, see the Chapter titled "***Transfer Restrictions***" beginning on page 131;

- You have made, or been deemed to have made, as applicable, the representations set forth under the Chapters titled "***Distribution and Solicitation Restrictions***" and "***Transfer Restrictions***" beginning on pages 122 and 131, respectively;

- You are aware that the Equity Shares have not been, and will not be, registered through a prospectus, under the Companies Act (as defined hereunder), the SEBI ICDR Regulations or under any other law in force in India. This Placement Document has not been verified or affirmed by the SEBI, RBI, the Stock Exchanges, RoC or any other regulatory or listing authority and will not be filed with the Registrar of Companies or any other regulatory or listing authority and is intended only for use by QIBs. This Placement Document has been filed with the Stock Exchanges and will be displayed on the websites of our Company and the Stock Exchanges. Our Company shall make the requisite filings with the RoC and the SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014;

- You are entitled to subscribe for such Equity Shares under the laws of all relevant jurisdictions which apply to you and that you have fully observed such laws and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities, to enable you to commit to participation in this Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or our agents ("**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLM may not have knowledge of the statements that our Company or our agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions and accordingly you acknowledge that the BRLM has advised you not to rely in any way on any information that was provided to you at such Company

Presentations, and (b) confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

- Neither our Company nor the BRLM or their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are making any recommendation to you or advising you regarding the suitability of any transactions that you may enter into in connection with the Issue. Your participation in this Issue is on the basis that you are not and will not be a client of the BRLM. Neither the BRLM nor any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates do not have any duty or responsibility to you for providing the protection afforded to its clients or customers or for providing advice in relation to the Issue and is in no way acting in a fiduciary capacity;

- You are aware and understand that the Equity Shares are being offered only to QIBs and are not being offered to the general public. Further, you are aware and understand that the allotment of the Equity Shares shall be on a discretionary basis at the discretion of our Company and the BRLM;

- You have made, or been deemed to have made, as applicable, the representations set forth under "***Distribution and Solicitation Restrictions***" and "***Transfer Restrictions***" beginning on pages 122 and 131, respectively;

- You have been provided a serially numbered copy of the Preliminary Placement Document and have read the Preliminary Placement Document in its entirety; including, in particular, the Chapter titled "***Risk Factors***" beginning on page 36;

- That in making your investment decision, (i) you have relied on your own examination of our Company, its Subsidiary and the terms of this Issue, including the merits and risks involved, (ii) you have made and will continue to make your own assessment of our Company, its Subsidiary the Equity Shares and the terms of this Issue, (iii) you have relied upon your own investigations and resources in deciding to invest in the Equity Shares, (iv) you have consulted with your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, including any applicable securities law and (v) you have relied solely on the information contained in the Preliminary Placement Document and no other disclosure or representation by our Company or any other party and (vi) you have received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares;

- You are aware that the pre-issue and post-issue shareholding pattern of our Company in the format prescribed in clause 35 of the Equity Listing Agreements will be filed by our Company with the Stock Exchanges, and if you are Allotted more than five per cent of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their websites and by subscribing to this Issue, you consent to such disclosures; also, if you are a top ten shareholder in our Company, our Company will be required to make a filing with the RoC within 15 days of the change, as per Section 93 of the Companies Act, 2013;

- Neither the BRLM nor any its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, have provided you with any tax advice or otherwise made any representations regarding the tax consequences of the Equity Shares (including but not limited to this Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the BRLM or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including but not limited to this Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert, any claim against our Company, the BRLM, or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- If you are acquiring the Equity Shares to be issued pursuant to this Issue, for one or more managed accounts, you represent and warrant that you are authorised in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and you hereby make) the

representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a ‗Promoter' of our Company, as defined under Section 2(69) of the Companies Act, 2013 and the SEBI ICDR Regulations, and are not a person related to the Promoter or to group companies of the Promoter, either directly or indirectly and your Bid does not directly or indirectly represent the Promoter or Promoter Group or persons related to the Promoter of our Company or to group companies of the Promoter of our Company;

- You have no rights under a shareholders' agreement or voting agreement with the Promoters or persons related to the Promoters, no veto rights or right to appoint any nominee director on the Board of Directors of our Company other than such rights acquired in the capacity of a lender not holding any Equity Shares of our Company, which shall not be deemed to be a person related to the Promoter;

- You have no right to withdraw your Bid after the Bid/Issue Closing Date (as defined hereinafter);

- You are eligible, including without any limitation under any applicable law or regulation, to apply for and hold the Equity Shares Allotted to you together with any Equity Shares held by you prior to this Issue. You further confirm that your aggregate holding upon such issue of the Equity Shares shall not exceed the level permissible, as per any applicable law or regulation;

- The Bids submitted by you would not eventually result in triggering a tender offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Code**");

- To the best of your knowledge and belief, together with other QIBs in the Issue that belong to the same group or are under common control as you, the allotment under the present Issue shall not exceed 50% of the Issue. For the purposes of this representation: (a) the expression 'belong to the same group' shall derive meaning from the concept of 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act, 1956 (the "**Companies Act**"); and (b) "control" shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Code;

- You are aware that in-principle approvals for listing and admission of the Equity Shares under Clause 24(a) of the Listing Agreement have been received from the Stock Exchanges and application for final listing and trading approval shall be made only after allotment of Equity Shares. There can be no assurance that such final approvals for listing and trading in the Equity Shares will be obtained in time, or at all. Our Company shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLM has entered into a Placement Agreement with our Company whereby the BRLM has, subject to the satisfaction of certain conditions set out therein, agreed to manage the Issue and use reasonable efforts to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;

- That the contents of this Placement Document are exclusively the responsibility of our Company and that neither the BRLM nor any person acting on its behalf has, or shall have, any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participation in this Issue, you agree and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLM or our Company or any other person and, to the greatest extent permitted by law, neither the BRLM nor our Company nor any other person will be liable for your decision to participate in this Issue based on any other information, representation, warranty or statement that you may have obtained or received, whether contained in this Placement Document or otherwise;

- As stated in the preceding clause herein, the only information you are entitled to rely on, and on which you have relied on, in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in

respect of the Equity Shares. You have neither received nor relied on any other information given or representations, warranties or statements made by the BRLM (including any view, statement, opinion or representation expressed in any research published or distributed by the BRLM or their respective affiliates or any view, statement, opinion or representation expressed by any staff (including research staff) of the BRLM or its affiliates) or our Company and the BRLM or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates will not be liable for your decision to accept an invitation to participate in this Issue based on any other information, representation, warranty or statement;

- You agree to indemnify and hold our Company and the BRLM and their officers, directors, affiliates, associates and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations and warranties in this section and the Chapter titled "***Distribution and Solicitation Restrictions***" and "***Transfer Restrictions***" beginning on pages 122 and 131, respectively. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by or on behalf of the managed accounts;

- That our Company, the BRLM, and their affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are irrevocable;

- That you are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000, as amended from time to time, and any notifications, circulars or clarifications issued thereunder, ("**Security Regulations**"), and have not been prohibited by the SEBI from buying, selling or dealing in securities;

- You understand that the BRLM do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including non-performance by our Company of any of our respective obligations or any breach of any representations or warranties by our Company, whether to you or otherwise;

- That each of the acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the allotment of the Equity Shares and the listing and commencement of trading of Equity Shares, wherever the context may require.

- You agree that any dispute arising in connection with this Issue will be governed by and construed in accordance with the laws of India, and the courts in New Delhi, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or registered, listed or otherwise qualified in any other jurisdiction outside India and accordingly, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable US state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales occur;

- You are, at the time the Equity Shares are purchased, located outside the United States (within the meaning of Regulation S), and you are not an affiliate of the Company or a person acting on behalf of the Company or such an affiliate;

- You are purchasing the Equity Shares in an offshore transactions meeting the requirements of Rule 903 or 904 of Regulation S and you shall not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations (as defined hereinafter), FPIs (which includes FIIs), other than Category III Foreign Portfolio Investor (as defined hereinafter) and unregulated broad based funds, which are classified as Category II foreign portfolio investor (as defined under the SEBI FPI Regulations) by virtue of their investment manager being appropriately regulated, may issue, subscribe or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") directly or indirectly, only in the event that (i) such offshore derivative instruments are issued only in favour of those entities which are regulated by any appropriate foreign regulatory authorities in the countries of their incorporation; and (ii) such offshore derivative instruments are issued after compliance with _know your client‘ norms. An FPI is also required to ensure that no issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

P-Notes have not been and are not being offered or sold pursuant to this Placement Document. Neither the Preliminary Placement Document nor this Placement Document contains or will contain any information concerning P-Notes, or the issuer(s) of any such P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligations of, claims on, or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are solely the obligations of, third parties that are unrelated to our Company. Our Company does not make any recommendation as to any investment in P-Notes and does not accept any responsibility whatsoever in connection with any P-Notes.

Any P-Notes that may be issued are not securities of the BRLM and do not constitute any obligations of, or claims on, the BRLM. Affiliates of the BRLM which are FPIs may purchase, to the extent permissible under law, the Equity Shares in this Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosure as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document was submitted to the Stock Exchanges and a copy of this Placement Document has been filed with the Stock Exchanges. The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Document;

(2) warrant that our Company's Equity Shares issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company;

The filing of this Placement Document should not for any reason be deemed or construed to mean that this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares of our Company pursuant to this Issue may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited company incorporated under the laws of India. The Board of Directors of our Company comprises six (6) Directors all of them are Indian citizens. Our senior managerial personnel and executive officers of our Company are residents of India and a substantial portion of the assets of such persons and of our Company are located in India. As a result, it may be difficult or may not be possible for investors to effect service of process upon our Company or such persons outside India or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (the "**Civil Code**") on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;
(b) where the judgment has not been given on the merits of the case;
(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable;
(d) where the proceedings in which the judgment was obtained were opposed to natural justice;
(e) where the judgment has been obtained by fraud; or
(f) where the judgment sustains a claim founded on a breach of any law than in force in India.

Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court (within the meaning of such Section), in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties and does not include arbitration awards.

A few countries like the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore and Hong Kong, amongst others, have been declared by the Central Government to be reciprocating territories for the purposes of Section 44A and do not include arbitration awards.

A judgment of a court in a country which is not a reciprocating territory may be enforced only by a suit upon the judgment and not by proceedings in execution. Such a suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with the public policy of India. Further, any judgment or award for payment of amounts denominated in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India must obtain approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. It is unlikely that an Indian court would enforce foreign judgments that would be contrary to or in violation of Indian law. We cannot assure you that Indian courts and/or authorities would not take a longer amount of time to adjudicate and conclude similar proceedings in their respective jurisdictions.

CERTAIN CONVENTIONS, CURRENCY PRESENTATION AND FINANCIAL DATA

Certain Contraventions

In this Placement Document, unless the context otherwise indicates or implies, references to ‗you‘, ‗your‘, ‗offeree‘, ‗purchaser‘, ‗subscriber‘, ‗recipient‘, ‗investors‘, ‗prospective investors‘ and ‗potential investor‘ are to the prospective investors of the Equity Shares to be issued pursuant to the Issue. References to ‗MPS‘, the ‗Company‘, or ‗our Company‘ are to MPS Limited, and references to ‗we‘, ‗our‘ or ‗us‘ are to MPS Limited and its Subsidiary. All references in this Placement Document to ―India" are to the Republic of India, to the ―Government" or the ―Central Government" are to the Government of India and to any ―State Government" are to the relevant state government in India. All references herein to the ―U.S." or the ―United States" are to the United States of America and its territories and possessions.

Currency Presentation

In this Placement Document, all references to "Rupees", "₹", ―Re." and "Rs." are to the currency of India. All references to "U.S. dollars", "dollars", "$", "USD" and "US$" are to the currency of the United States of America. All references to "**£**" are to the currency of the United Kingdom. All references to "€" are to the currency of the member states of the European Union that adopted it as the single currency. References to the words "Lakh" or "Lacs" mean "100 thousand", the word "million" means "10 Lacs" and the word "billion" means "1,000 million".

Financial Data

Our Company publishes its financial statements in Indian Rupees. Our Company's financial statements included herein have been prepared in accordance with accounting principles generally accepted in India, or Indian GAAP and the Companies Act and have been audited by the Auditors in accordance with the applicable generally accepted auditing standards in India prescribed by the ICAI. Unless otherwise indicated, all financial data in this Placement Document are derived from our Company's financial statements prepared in accordance with Indian GAAP. Indian GAAP differs in certain significant respects from International Financial Reporting Standards ("**IFRS**"), U.S GAAP and other international accounting systems. Our Company does not quantify the impact of U.S. GAAP or International Financial Reporting Standards ("**IFRS**") on the financial data included in this Placement Document, nor does our Company provide a reconciliation of its financial statements to U.S. GAAP or IFRS. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Placement Document will provide meaningful information is entirely dependent on the reader‘s familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. See the Chapter titled "***Risk Factors***" beginning on page 36.

Unless the context requires otherwise, the financial data in this Placement Document is derived from our financial statements. Our Company's Fiscal commences on April 1 of each year and ends on March 31 of the succeeding year; so all references to a particular Fiscal are to the twelve months period ended on March 31 of that year, except that all references to ‗Financial Year 2012‘, ‗fiscal year 2012‘ or ‗Fiscal 2012‘ or ‗FY 2012‘ are to the fifteen (15) months‘ period ended March 31, 2012. The audited financial statements of our Company for the fifteen months period ended March 31, 2012, for the twelve (12) months period ended on March 31, 2013 and for the twelve (12) months period ended on March 31, 2014 ("**Audited Financial Statements**") and limited reviewed financial results for the quarter and nine months ended December 31, 2014 (―**Unaudited Financial Results**"), are prepared in accordance with Indian GAAP, are included in this Placement Document and are referred to herein as the "***Financial Statements***" beginning on page 156. The Unaudited Financial Results have been reviewed by our Company‘s auditors in accordance with Standard on Review Engagements (SRE) 2410 ―Review of Interim Financial Information Performed by Independent Auditors of Entity" issued by the Institute of Chartered Accountants of India.

In this Placement Document, certain monetary amounts have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to our Company's business contained in this Placement Document consists of estimates/forecasts based on data reports compiled by professional organisations and analysts, on data from recognized industry sources, other external sources, and on our Company's knowledge of the markets in which our Company operates. The statistical information included in this Placement Document has been reproduced from various trade, industry and Government publications and websites. Our Company confirm that such information and data has been accurately reproduced, and that as far as we are aware and are able to ascertain from information published by third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading.

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, Government bodies or other organisations) to validate market related analysis and estimates, so our Company have relied on internally developed estimates.

None of our Company, the BRLM or any of their affiliates and advisors or any other person connected with the Issue has independently verified this information and neither our Company nor the BRLM make any representation regarding the accuracy or completeness of such data. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, the BRLM and we do not take any responsibility for the data, projections, forecasts, conclusions or any other information contained in this section. Certain information contained herein pertaining to prior years is presented in the form of estimates as they appear in the respective reports/ source documents. The actual data for those years may vary significantly and materially from the estimates so contained. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent source and our Company cannot assure potential investors as to their accuracy.

The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader‘s familiarity with and understanding of the methodologies used in compiling such data.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical facts constitute _forward-looking statements‘. These statements express views of the management of our Company and expectations based upon certain assumptions regarding trends in the Indian and international financial markets and regional economies, the political climate in which our Company operates and other factors. Prospective investors can identify forward-looking statements by the use of forward-looking terminology, including the words "aim", "anticipate", "believes", "continue", "can", "could", "estimates", "expects", "intends", "may", "will", "plans", "objective", "potential", "project", "pursue", "shall", "will likely result", "will continue", "will achieve", "is likely" or "should" or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, goals, future events or intentions. All statements regarding our Company's expected financial condition and results of operations, business plans projects under execution, orders-in-hand and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, revenue and profitability and other matters discussed in this Placement Document regarding matters that are not historical facts. They appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate.

By their nature, forward-looking statements contained in this Placement Document (whether made by our Company or any third party) are predictions and involve known and unknown risks and uncertainties because they relate to events, and depend on circumstances, and assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Forward-looking statements are not guarantees of future performance. Our Company's actual results of operations, financial condition, liquidity, dividend policy and the development of the industry in which we operate may differ materially from the impression created by the forward-looking statements contained in this Placement Document. In addition, even if the results of operations, financial condition, liquidity and dividend policy of our Company and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

Important factors that could cause actual results and property valuations to differ materially from our expectations include, but are not limited to, the following:

- Disruptions in our Company;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Significant changes in the exchange rate;
- Changes in laws and regulations relating to the industry in which we operate;
- Increased competition in the publishing solution providers;
- Our ability to successfully implement our growth strategy and expansion plans;
- Competition from existing players;
- Changes in technology;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries;
- Potential mergers, acquisitions or restructurings;
- Our ability to control cost and retained key personnel;
- Our ability to attract and retain qualified personnel;
- The performance of the financial markets in India and globally;
- Market fluctuations and industry dynamics beyond our control; Occurrence of natural disasters or calamities affecting the areas in which we have operations; and
- Any adverse outcome in the legal proceedings in which we are involved; and
- Other factors discussed in this Placement Document, including "***Risk Factors***".

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and "***Business***" beginning on pages 36, 57 and 75, respectively. These

forward-looking statements speak only as of the date of this Placement Document. Our Company and the BRLM expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in our Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

The forward-looking statements contained in this Placement Document are based on the beliefs of the management of our Company, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and other forward-looking statements attributable to our Company in this Placement Document are expressly qualified in their entirety by reference to these cautionary statements.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$ 1.00), for the periods indicated. The exchange rates are based on the reference rates released by the RBI, which are available on the website of the RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

(₹ Per US$1.00)

	Period End	Average[1]	High	Low
Fiscal Year Ended:				
March 31, 2014	60.10	60.50	68.36	53.74
March 31, 2013	54.39	54.45	57.22	50.56
March 31, 2012	51.16	47.95	54.24	43.95
Quarter Ended:				
December 31, 2014	63.33	62.00	63.75	61.04
September 30, 2014	61.61	60.59	61.61	59.72
June 30, 2014	60.09	59.77	61.12	58.43
March 31, 2014	60.10	61.79	62.99	60.10
Month ended:				
February 28, 2015	61.79	62.04	62.43	61.68
January 31, 2015	61.76	62.23	63.45	61.41
December 31, 2014	63.33	62.75	63.75	61.85
November 30, 2014	61.97	61.70	62.10	61.39
October 31, 2014	61.41	61.34	61.75	61.04
September 30, 2014	61.61	60.86	61.61	60.26

Source: *www.rbi.org.in*

[1] Represents the average of the reference rates released by the RBI on every working day of the relevant period

On March 18, 2015, the exchange rate (the RBI reference rate) was ₹ 62.67 to US$ 1.00.

No representation is made that the Rupee amounts actually represent such amounts in U.S. dollars or could have been or could be converted into U.S. dollars at the rates indicated, any other rates, or at all.

DEFINITIONS AND ABBREVIATIONS

Unless otherwise defined or the context otherwise indicates or requires, certain capitalized terms used in this Placement Document have the meanings set forth below. References to any legislation, act or regulation shall, unless the context otherwise requires, be to such legislation, act or regulation as amended as on the date of this Placement Document:

Term	Description
MPS Limited/ MPS/ Issuer / our Company	Unless the context otherwise indicates or implies, refers to MPS Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at R R Tower IV, Super A, 16/17, Thiru – VI – KA Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu, India
Articles / Articles of Association	The articles of association of our Company, as amended from time to time
Auditors	M/s. Deloitte Haskins & Sells, Gurgaon, Chartered Accountants, the statutory auditors of our Company
Board of Directors / Board	The Board of Directors of our Company or a duly constituted committee thereof
Committee	The Committee duly constituted by the Board of Directors
Corporate Office	The corporate office of our Company located at C - 35, Sector - 62, Noida – 201 307, Uttar Pradesh, India
Director(s)	The Director(s) of our Company
Equity Shares / Shares	The equity shares of our Company of face value ₹ 10 each
QIP Committee	The QIP committee of the Board of Directors described in the Chapter titled –***Board of Directors and Senior Management***" beginning on page 97
Memorandum / Memorandum of Association	The memorandum of association of our Company, as amended from time to time
Promoter / Corporate Promoter	ADI BPO Services Limited
Promoter Group	Promoter group of our Company as per the definition provided in Regulation 2(1)(zb) of the SEBI ICDR Regulations
Registered Office	The registered office of our Company located at R R Tower IV, Super A, 16/17, Thiru – VI – KA Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu, India
Registrar of Companies / RoC	The Registrar of Companies, Tamil Nadu, Chennai
Subsidiary	MPS North America LLC
We / us / Our Company	Unless the context otherwise indicates or implies, refers to MPS Limited

Issue related Terms

Term	Description
Allocated or Allocation	The allocation of Equity Shares following the determination of the Issue Price to QIBs on the basis of Application Forms submitted by such QIBs, in consultation with the BRLM and in compliance with Chapter VIII of the SEBI ICDR Regulations
Allottee(s)	Successful Bidders to whom Equity Shares are issued and Allotted pursuant to the Issue
Allotment	The issue and allotment of Equity Shares pursuant to this Issue
Application or Bid	Indication of interest from a QIB, including all revisions and modifications of interest as provided by them, to subscribe for a specified number of Equity Shares in this Issue on the terms set out in the Application Form to our Company
Application Form or Bid cum Application Form	The form, including all revisions and modifications thereto, pursuant to which a QIB submits an Application
Bidder	Any prospective investor, being a QIB, who makes a Bid pursuant to the terms of the Placement Document and the Application Form
Bidding / Issue Period	The period between the Bid/Issue Opening Date and Bid/Issue Closing Date,

Term	Description
	inclusive of both dates, during which prospective Bidders can submit Bids
Book Running Lead Manager/BRLM	Emkay Global Financial Services Limited
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CAN or Confirmation of Allocation Note	Note or advice or intimation to successful Bidders confirming Allocation of Equity Shares to such successful Bidders after determination of the Issue Price and requesting payment for the entire applicable Issue Price for all Equity Shares Allocated to such successful Bidders
Closing Date	On or about March 19, 2015, the date on which the Allotment is expected to be made
Cut-off Price	The Issue Price of the Equity Shares, which shall be determined by our Company, in consultation with the BRLM
Eligible FPIs	FPIs that are eligible to participate in the Issue and does not include qualified foreign investors and Category III Foreign Portfolio Investors (who are not eligible to participate in the Issue)
Escrow Agreement	The Escrow Agreement dated March 13, 2015 by and between our Company, Escrow Bank and the BRLM in relation to the Issue
Escrow Bank	Kotak Mahindra Bank Limited
Escrow Cash Account/ Escrow Account	The non-interest bearing, no-lien, escrow bank account without any cheque or overdraft facilities opened by our Company with the Escrow Bank under the arrangement between our Company and the Escrow Bank for receiving the share application amount from the successful Bidders
Floor Price	The floor price of ₹ 879.54 per Equity Share, calculated in accordance with Regulation 85 of the SEBI ICDR Regulations
Issue	The offer, issue and allotment of 17,94,258 Equity Shares to QIBs, pursuant to Chapter VIII of the SEBI ICDR Regulations and the provisions of Companies Act, 2013 and Private Placement Provisions
Issue Closing Date or Bid Closing Date	March 17, 2015, the date on which our Company (or the BRLM on behalf of our Company) shall cease acceptance of Application Forms
Issue Opening Date or Bid Opening Date	March 16, 2015, the date on which our Company (or the BRLM on behalf of our Company) shall commence acceptance of Application Forms
Issue Price	The price per Equity Share of ₹ 836
Issue Size	The issue of 17,94,258 Equity Shares aggregating ₹ 15,000 Lacs
Listing Agreement	The agreement entered into between our Company and the Stock Exchanges in relation to listing of the Equity Shares on the Stock Exchange.
NSDL	The National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
Pay-in Date	The last date specified in the CAN for payment of application monies by the QIBs.
Placement Agreement	The Placement Agreement dated March 13, 2015 entered between our Company and the BRLM
Placement Document	This placement document being issued by our Company in accordance with Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and the rules thereunder
Preliminary Placement Document	The preliminary placement document dated March 19, 2015 issued in accordance with Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and the rules thereunder
QIB or Qualified Institutional Buyer	Any Qualified Institutional Buyer as defined under Regulation 2(1) (zd) of Chapter VIII of the SEBI ICDR Regulations and the rules thereunder
QIP	Private placement to QIBs under Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and the Rules made thereunder
Regulation S	Regulation S, as defined under the U.S. Securities Act
Relevant Date	March 15, 2015 date of the meeting of the QIP Committee duly authorised by the Board of Directors deciding to open the Issue
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957 as amended from time to time
SCR(SECC) Regulations	Securities Contracts (Regulation) (Stock Exchanges and Clearing

Term	Description
	Corporations) Regulations, 2012 as amended from time to time
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992 as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 as amended from time to time
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
SEBI Prohibition of Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time
Stock Exchange	The BSE and the NSE
STT	Securities Transaction Tax
U.S. Securities Act	The United States Securities Act of 1933 as amended from time to time

Business and Industry Related Terms

Terms	Description
APP 3B2	Advance Print Publisher 3B2
CD	Compact Disc
CMSs	Content Management Systems
CSO	Central Statistical Organisation
DVD	Digital Video Disc
ELT	English Language Teaching
EPS	Electronics Publishing Services
EPUB	Electronic Publication
HTML	Hyper Text Mark-up Language
IBS	Instant Book Store
ISO	International Organisation for Standardisation
ISSPs	Impact Sourcing Service Providers
LCMS	Learning Content Management Systems
LMS	Learning Management Systems
LNMS	Learning and New Media Services
OECD	Organisation for Economic Cooperation and Development
PDF	Portable Document Format
PCI-DSS	Payment Card Industry Data Security Standard
QA	Quality Assurance
QC	Quality Control
SAAS	Software as a service
STPI	Software Technology Parks of India
STML	Spoken Text Mark-up Language
TEX	Typesetting System
UNESCO	United Nations Educational, Scientific and Cultural Organization
WIPO	World Intellectual Property Organisation
XHTML	Extensible Hyper Text Mark-up Language
XML	Extensible Mark-up Language

Conventional and General Terms

Terms	Description
AGM	Annual General Meeting
AIF	Alternate Investment Funds(as defined under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012) registered with the SEBI under applicable laws in India
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
CAGR	Compounded Annual Growth Rate
Calendar Year 2010	Calendar Year commencing from January 1, 2010 till December 31, 2010

Terms	Description
Chapter VIII	Refers to Chapter VIII of the SEBI ICDR Regulations, 2009 that deals with Qualified Institutions Placement and as amended from time to time
Civil Code or Code	The Code of Civil Procedure, 1908 of India, as amended from time to time
Companies Act	Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act, 2013	Companies Act, 2013 and the rules made thereunder, to the extent in force pursuant to notification of the Notified Sections
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
EBITDA	Earnings before interest, tax, depreciation and amortization
EGM	Extraordinary General Meeting
FDI	Foreign Direct Investment in an Indian company, in accordance with applicable law
FEMA	The Foreign Exchange Management Act, 1999 as amended from time to time and the Regulations framed thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 as amended from time to time
FII	Foreign Institutional Investor as defined under Section 2(f) the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time, registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 as amended from time to time
Financial Year or Fiscal Year or Fiscal or FY	A period of twelve months ending March 31 of that particular year, unless otherwise stated
Financial Year 2012 or Fiscal Year 2012 or Fiscal 2012 or FY 2012	A period of fifteen (15) months period ended March 31, 2012
Financial Year 2013 or Fiscal Year 2013 or Fiscal 2013 or FY 2013	A period of the twelve (12) months period ended on March 31, 2013
Financial Year 2014 or Fiscal Year 2014 or Fiscal 2014 or FY 2014	A period of the twelve (12) months period ended on March 31, 2014
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI	Foreign Portfolio Investors, as defined under Regulation 2(1)(h) of the Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FVCI	Any foreign venture capital investor (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended) registered with the SEBI under applicable laws in India
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GoI or Government	Government of India, unless otherwise specified
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act or IT Act	The Income Tax Act, 1961 of India as amended from time to time
India	The Republic of India
Indian GAAP	Generally accepted accounting principles followed in India

Terms	Description
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time
KMP	Key Managerial Personnel
Lakh/ Lac/Lacs	One hundred thousand
LTCG	Long Term Capital Gain
Minimum Wages Act	Minimum Wages Act, 1948 as amended from time to time
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time
NHAI	National Highway Authority of India
Non-Resident Indian(s) or NRI	Non-Resident Indian as defined under FEMA
Notified Sections	Sections of the Companies Act, 2013 that have been notified by the Government of India
PAN	Permanent Account Number
PAT	Profit after tax
PBT	Profit before tax
PPP	Purchasing Power Parity
Portfolio Investment Scheme/PIS	The portfolio investment scheme of RBI specified in Schedule 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 as amended from time to time
Private Placement Provisions	Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014
₹ or Re. or Rs. or Rupees or INR	Indian Rupee
RBI	The Reserve Bank of India
STCG	Short Term Capital Gain
State	Any state in the Republic of India
State Government	Government of a State
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time
UK	United Kingdom of Great Britain and Northern Ireland
USA or U.S.	United States of America
$ or U.S. dollar or USD or US$	The currency of the United States
VAT	Value Added Tax
VCF	A venture capital fund as defined under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in Form PAS-4 and the relevant pages in this Placement Document where these disclosures, to the extent applicable, have been provided.

Sr. No.	Disclosure Requirements	Relevant Page of this Placement Document
1.	**GENERAL INFORMATION**	
a.	Name, address, website and other contact details of our Company indicating both Registered Office and corporate office	Cover Page and 159
b.	Date of incorporation of our Company	154
c.	Business carried on by our Company and its subsidiaries with the details of branches or units, if any.	75 – 90
d.	Brief particulars of the management of our Company.	97–107
e.	Names, addresses, DIN and occupations of the Directors.	97–98
f.	Management's perception of risk factors	36–48
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:	
(i)	Statutory dues;	NIL
(ii)	Debentures and interest thereon;	NIL
(iii)	Deposits and interest thereon; and	NIL
(iv)	Loan from any bank or financial institution and interest thereon.	NIL
h.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of our Company, if any, for the private placement offer process.	159
2.	**PARTICULARS OF THE OFFER**	
a.	Date of passing of board resolution.	154
b.	Date of passing of resolution in the general meeting, authorising the offer of securities.	154
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security.	Cover page and 23
d.	Price at which the security is being offered including the premium, if any, along with justification of the price.	Cover page and 23
e.	Name and address of the valuer who performed valuation of the security offered.	Not Applicable
f.	Amount which our Company intends to raise by way of securities.	52
g.	Terms of raising of securities:	
(i)	Duration, if applicable;	Not Applicable
(ii)	Rate of dividend;	Not Applicable
(iii)	Rate of interest;	Not Applicable
(iv)	Mode of payment; and	Not Applicable
(v)	Repayment.	Not Applicable
h.	Proposed time schedule for which the offer letter is valid.	17
i.	Purposes and objects of the offer.	52
j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	52
k.	Principle terms of assets charged as security, if applicable.	Not Applicable
3.	**DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC**	
a.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	100
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	151

Sr. No.	Disclosure Requirements	Relevant Page of this Placement Document
c.	Remuneration of Directors (during the current year and last three financial years).	103 – 104
d.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.	156
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remark.	66
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for our Company and all of its subsidiaries.	152
g.	Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company.	152
4.	**FINANCIAL POSITION OF THE COMPANY**	
a.	The capital structure of our Company in the following manner in a tabular form:	
(i)(a)	The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	54
(b)	Size of the present offer; and	54
(c)	Paid up capital:	54
(A)	After the offer; and	54
(B)	After conversion of convertible instruments (if applicable);	Not Applicable
(d)	Share premium account (before and after the offer).	54
(ii)	The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	54 – 55
	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	54
b.	Profits of our Company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter.	30 – 35
c.	Dividends declared by our Company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid).	56
d.	A summary of the financial position of our Company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.	32
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	33
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of our Company.	66
5.	**A DECLARATION BY THE DIRECTORS THAT**	
a.	Our Company has complied with the provisions of the Act and the rules made thereunder.	158
b.	The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government.	
c.	The monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.	

SUMMARY OF THE ISSUE

*The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including under the chapters titled "**Risk Factors**", "**Use of Proceeds**", "**Issue Procedure**", "**Placement**" and "**Description of the Equity Shares**" beginning on pages 36, 52, 111, 122 and 136.*

Issuer	MPS Limited
Face value	₹ 10 per Equity Share
Issue Price per Equity Share	836
Issue Size	The issue of 17,94,258 Equity Shares aggregating ₹ 15,000 Lacs. A minimum of 10 % of the Issue Size i.e. 1,79,426 Equity Shares shall be available for Allocation to Mutual Funds only, and 16,14,832 Equity Shares shall be available for Allocation to all QIBs, including Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion mentioned above, such minimum portion or part thereof may be Allotted to other eligible QIBs.
Date of Board Resolution authorizing the Issue	January 29, 2015
Date of Shareholders" Resolution authorizing the Issue	March 13, 2015
Floor Price	₹ 879.54 per Equity Share, calculated in accordance with Regulation 85 of the SEBI ICDR Regulations. Under the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price subject to discount of not more than 5% on the Floor Price which may be considered by our Company.
Equity Shares issued and outstanding immediately prior to the Issue	1,68,22,668 Equity Shares at a face value of ₹10 per share.
Equity Shares issued and outstanding immediately after the Issue	1,86,16,926 Equity Shares at a face value of ₹10 per share.
Eligible Investors	QIBs as defined in regulation 2(1) (zd) of the SEBI ICDR Regulations and Chapter VIII of the SEBI ICDR Regulations , who are outside of the United States acquiring Equity Shares in an offshore transaction in reliance on Regulation S, and to whom this Placement Document and the Application Form is delivered by BRLM in consultation with our Company, at their sole discretion and who are eligible to bid and participate in this Issue and QIBs not excluded pursuant to Regulation 86(1) (b) of the SEBI ICDR Regulations. For further details, see the chapters titled "***Issue Procedure – Qualified Institutional Buyers***" and "***Transfer Restrictions***" beginning on pages 115 and 131, respectively.
Listing	(i) Applications for approval, in terms of Clause 24(a) of the listing agreement with the Stock Exchanges were made and (ii) the application for final listing and trading approval, for listing and admission of the Equity Shares and for trading on the Stock Exchange, will be made only after Allotment of the Equity Shares in the Issue.
Issue Procedure	The Issue is being made only to QIBs in reliance on Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Chapter VIII of the SEBI ICDR Regulations. For further details, see the Chapter titled "***Issue Procedure***" beginning on page 111.

Transferability Restrictions	The Equity Shares being allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except if sold on the floor of the Stock Exchange. For further details, see the chapter ***"Transfer Restrictions***" beginning on page 131.
Ranking	The Equity Shares being issued in the Issue are subject to the provisions of our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including with respect to dividend rights. Shareholders will be entitled to dividends and other corporate benefits, if any, declared by us after the Closing Date, in compliance with the Companies Act, 2013. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act, 2013. Please see the chapter titled ***"Description of the Equity Shares***" beginning on page 136.
Use of Proceeds	The gross proceeds of the Issue are expected to be approximately ₹ 15,000 Lacs. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ 14,775 Lacs. For further details, please see the chapter titled ***"Use of Proceeds"*** beginning on page 52.
Lock-up	Our Company has agreed that it will not, without the prior written consent of the BRLM (which such consent shall not be unreasonably withheld), for the period commencing from the date of the Placement Agreement and ending 90 days from the Closing Date, directly or indirectly: (a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; or (c) publicly announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise. Our Promoters have agreed that without the prior written consent of the BRLM (which such consent shall not be unreasonably withheld), it will not, during the period commencing from the date of the Placement Agreement and ending 90 days after the date of allotment of the Issue Shares, directly or indirectly: (a) sell, lend, pledge, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; or (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, or (d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility; or (e) publicly announce any intention to enter into any transaction whether any such transaction described in (a) to (d) above is to be settled by delivery of Equity Shares, or such other

	securities, in cash or otherwise; provided however that the foregoing restrictions will (i) not be applicable to any pledge or mortgage of the Equity Shares already existing on the date of the Placement Agreement or transfer of such existing pledge or mortgage; and (ii) not restrict the existing shareholders of our Company from acquiring or purchasing any Equity Shares in our Company, directly or indirectly, in accordance with and subject to applicable laws.
Risk Factors	For a discussion of certain risks in connection with an investment in the Equity Shares, please see the chapter titled ***–Risk Factors***" beginning on page 36.
Security codes:	**ISIN:**INE943D01017 **BSE Code**: 532440 **NSE Code:** MPSLTD

SUMMARY OF BUSINESS

Overview

Our Company in engaged in the business of providing content creation, production, transformation, and technology services to global academic, scientific, and educational publishers, with a team of over 2,800 employees based at offices at Bengaluru, Chennai, Delhi, Gurgaon, Noida, and Dehradun in India and offices at Portland (Oregon) and London (United Kingdom). Further, we operate through our Subsidiary having offices at Orlando (Florida), Durham (North Carolina) and Champaign (Illinois) in USA.

Established as an Indian subsidiary of Macmillan (Holdings) Limited in the year 1970, we have evolved over our forty-five years history to become one of the experienced players in the publishing services outsourcing space. The equity shares of our Company are listed on BSE and NSE. In the year October, 2011, our Company was acquired by ADI BPO Services Limited from Macmillan (Holdings) Limited in October, 2011. Nishith Arora is the largest shareholder and promoter of ADI BPO Services Limited. Our experienced and talented team has responded favourably to the new management and direction. The core management team including our Chairman and Managing Director, Executive Directors and Senior Management are working in tandem to keep the growth momentum going by leveraging on our Company‘s wide range of services, technology capabilities, and cost competitiveness. Our Chairman and Managing Director, Nishith Arora, an IIM Ahmedabad alumnus, leveraged his domain experience to turnaround the loss making books division. The equity shares of our Company are listed on BSE and NSE.

We incorporated our wholly owned subsidiary, MPS North America LLC at USA, in May 2013. MPS North America LLC has made two acquisitions in the education publishing services space in the last two years. We acquired the business of the Orlando-based Element LLC in July, 2013 which has added to our range of services for school education publishers in the USA. We acquired the business of New York based Electronic Publishing Services Inc. in October, 2014, which has further added content creation and other capabilities in the higher education space.

In addition to the traditional content-processing services, our Company has a strong suite of SAAS (software as a service) offerings including workflow management (MPSTrak), editing and automated composition (MPS DigiCore), and business analytics (MPS Insight). These software services help MPS add more publishing customers beyond its traditional customer base of large global publishers such as Macmillan, Elsevier, Cengage Learning, McGraw-Hill and Walters-Kluwer. Our Company has a long track record on working in a number of different mark-up languages including HTML and XML.

We are committed to provide quality products to our customers and in this relation, we have also received various quality accreditations including ISO 9001:2008 Quality Management System for providing full service prepress and content transformation services for publishers of periodicals and ISO/TEC 27001:2005 information security system for providing publishing solution worldwide to the publishers, including support departments.

OUR COMPETITIVE STRENGTHS

Our Company believes that our primary competitive strengths include the following:

Significant operating experience and strong relationship with our customers for over four decades

Started as a captive unit of Macmillan (Holdings) Limited in the year 1970, we have over the years added other large global publishers as our customers. These relationships have grown from simple composition work to include broader project management and editorial relationships and beyond content to IT/technology products and services as well as order management and customer service. Over these years we have developed certain processes and tools which we believe are proprietary, although not patented**.** We believe that our experience in each of our businesses provide us with a significant competitive advantage and has helped us to become one of the preferred suppliers for the global publishers. We are engaged with publishers across publishing, IT, fulfilment, and customer service. Further, our Chairman and Managing Director, Nishith Arora and current management have experience in similar line of business with understanding of process and relationship, which helped in developing strong relationship with our customers as well as add new customers. We believe, our significant operating experience and strong relationship with our customers has helped us in getting larger orders and move higher in the value chain and improve our results of operations.

End to end cloud based publishing solution provider and development of a new platform for collaborative content processing and distribution

We have traditionally offered cloud-based data analytics services to publishers and libraries. This range of services has been expanded to include MPSTrak, a cloud-based workflow management system, as well as the MPS DigiCore platform, described above. We believe that our range of end-to-end services with proven quality, efficient delivery and attractive costs has placed us in a better position in the market. Our Company has been in the business for over four decades and over these years we have developed our ability to do entire value chain of our business from typesetting to final upload of the script. We have taken some of our in-house production tools and built a cloud-based platform called MPS DigiCore, which includes components for editing, composition, content enrichment, conversion, and distribution. We have developed MPS DigiCore, which provides end-to-end cloud-based publishing platform to our customers and addresses the need for an integrated workflow of publishers. Over the years, we have transitioned from pre publishing service vendor to strategic technology partner and MPS Digicore platform marks leapfrog progress of MPS in technology advancement. Our Company has made an application for registration of copyright under literary work for DigiEdit, DigiComp, DigiXML and MPSTrak forming part of MPS DigiCore titled as digital publishing solutions/editorial tools/automated composition platforms and is pending before the Registrar of Copyrights, New Delhi under the Copyrights Act, 1957. Besides MPS DigiCore components are being deployed for internal production, the same is also provided on selective licensing basis. MPS Digicore platform helped us in automation and improving productivity in operations and helped in improving revenue productivity per employee and operating efficiency. We believe, our ability to provide end to end solutions to our customers help us in getting repeat orders from them, further it also helps us in adding new customers and our ability to develop new platform helps us in serving our customers in more efficient manner, which helps us in getting repeat and larger orders from our customers.

Our multi-location presence

We have facilities/offices at Bengaluru, Chennai, Delhi, Dehradun, Gurgaon and Noida in India, having a capacity of over 4,000 seats. We have offices in Portland (Oregon) and London (United Kingdom). Further, our Subsidiary has offices at Orlando (Florida), Durham (North Carolina) and Champaign (Illinois) in USA. We generate majority of our revenue from customers in USA and Europe and most of their work is delivered from our Indian facilities. Our facility at Dehradun has lower employee cost compared to our other facilities in India. Dehradun facility has a total capacity of about 2,000 seats and currently, houses around 900 employees. The diverse locations and large capacity give us the flexibility to hire talent across locations to meet specific customer requirements and we are capable to scale up our operations at shorter notice without a large capex requirements. Our multi location presence helps us in executing various customer requirements efficiently, which helps us in getting repeat orders and customer‘s addition.

Our recent acquisitions

Our Company has incorporated a wholly owned subsidiary, MPS North America LLC at USA, in May 2013. MPS North America LLC has made two acquisitions in the education publishing services space in the last two years. We acquired the business of the Orlando-based Element LLC in July, 2013 which has added to our range of services for school education publishers in the USA. Element has expertise in developing turnkey solutions for print and online products and provides full-service editorial, design and production services to the education publishers (specialised in pre-K and K-12 markets). It has enhanced MPS‘s presence in US educational publishing market.

Our Company has also acquired the business of Electronic Publishing Services Inc. in October, 2014, a USA based full-service editorial, content creation, art rendering and development, design, rights and permissions, and production service provider to the Higher Education and Professional publishing markets. It has added content creation and other capabilities in the higher education space. It has brought us new capability and enhanced our service portfolio in the academic/ higher education publishing market. This acquisition has also helped us in adding one of the large publishers as our clientele. We believe that our recent acquisition helped us in providing new services to our customers and increase our reach.

Strong financial profile and performance

For the Fiscal 2012, 2013 and 2014 our EBITDA was ₹ 2,653.61 Lacs, ₹ 4,789.55 Lacs and ₹ 6,962.61 Lacs, respectively. For the Fiscal 2012, 2013 and 2014, our PAT was ₹ 1,087.13 Lacs, ₹ 3189.02 Lacs and ₹ 4,214.40

Lacs, respectively. The EBITDA margins for Fiscal 2012, 2013 and 2014 was 13.4%, 28.3% and 34.1%, respectively. PAT margin for Fiscal 2012, Fiscal 2013 and Fiscal 2014 was 5.5%, 18.9% & 20.9%, respectively. For Fiscal 2014, EBITDA has grown by 45.37% and PAT has grown by 32.2% over Fiscal 2013. For Fiscal 2012, Fiscal 2013 and Fiscal 2014, our networth was ₹ 7,030.81 Lacs, ₹ 8,264.65 Lacs and ₹ 9,172.94 Lacs, respectively. For Fiscal 2012, Fiscal 2013 and Fiscal 2014, our total debt was ₹ 583.45 Lacs, ₹ 453.19 Lacs and ₹ 364.49 Lacs, respectively. Our Cash flow from operations for the Fiscal 2012, Fiscal 2013 and Fiscal 2014 was ₹ 679.97 Lacs, ₹ 3,155.66 Lacs and ₹ 4,250.47 Lacs, respectively. For Fiscal 2010, our PAT was (₹ 880.71) Lacs and EBITDA was (₹ 248.42) Lacs. As on December 31, 2010, the networth and total debt was ₹ 6,725.74 Lacs and ₹ 1,086.32 Lacs, respectively.

Our strong financial profile and performance allowed us to acquire two companies through our subsidiary without any requirement of taking debt. Further as on December 31, 2014 we have mutual fund investments of ₹ 1,884.06 Lacs. We believe, our strong financial profile and performance allows us to retain and attract customers. Further our strong financial profile and performance allows us to attract and retain employees, which is very critical for business.

Experienced management and employees

Our Company has experienced management and employees in the business who are able to meet the requisite requirements of our customers. Over the last three years, while some changes in upper management have been necessitated, the client-facing project management relationships and production organization have remained almost intact. Our experienced management and employees has successfully expanded our business and increased our revenues, mostly through internal growth under the guidance of our Chairman and Managing Director. Our Company believes that the skills, industry and business knowledge and operating experience of our senior executives, provide us with a significant competitive advantage as we seek to expand in our existing market and enter new geographic market. See chapter titled ***–Board of Directors and Senior Management***" beginning on page 97 for details of our senior management. We believe that our experienced management and employees under the guidance of our Chairman and Managing Director, have helped us to turn around.

OUR STRATEGY

Our Company seeks to increase the size, scope and technological advantage of our business as a global, high value-add, IT enabled service provider for publishing activities including e – Pub and be a leader in the sector we operate. Our Company‘s strategic intent is to play a major part in the harnessing of India‘s skill, abilities and cost advantage. We additionally seek to grow our relationships with publishers on the IT side as well as on the fulfilment and customer service. In order to achieve these objectives, we intend to implement the following strategies:

To emerge as a global player catering to focused business segments

Our Company intends to continue building on our expertise and execution capabilities and emerge as a preferred player in the areas of content creation, art rendering and development, design, rights and permissions, and production services providing all round publishing solutions to our customers. Our Company recognises that achieving these goals can be effectively enabled by diversifying our customer base and range of products, consolidating our position with existing customers and establishing relations with newer customers in varied segments. Our Company also propose to take initiatives in technology development as well as absorption, setting up new ventures, periodic review of our business portfolio, and expansion of physical capacities, operational excellence and human resource development and to emerge as a global player catering to focused business segments.

Develop and continue maintaining strong relationships with our customers

Our Company enjoys its relationship with customers and are one of the preferred suppliers amongst our various publishing houses. Our customers include global players like Macmillan, Cengage Learning, McGraw-Hill, Elsevier and Wolters–Kluwer. Our Company is focused on deriving the maximum benefits from its existing relationship with publishing houses. Our Company aims to achieve this by providing a complete range of publishing solutions for all our customers and their affiliates. Our Company also aims to capture a significant proportion of the rapidly growing editorial services outsourcing contracts from these customers. Our Company intends to continue leveraging our customer relationships to augment our presence in the markets in which we are currently operating as well as to make our presence in newer markets globally.

Continue our emphasis on innovation and customization of our offerings and services to meet changing requirements of our customers

Our Company believes that we have a large opportunity if our Company can successfully cross-sell any or all other services to existing customers, not just publishing but also the IT, fulfilment, and customer service components of our business. Our Company recognizes the importance of continued innovation of our offerings and services. Our Company believes that this will enable them to increase their business from its existing customers and also assist them in acquiring new customers. For example, to our customers our Company offers online or offline lessons, tests and assessments on mobile application for iPhone and android, web applications using HTML5 and hybrid application that combine two architectures. Our Company intends to continue to expand our portfolio of products, offerings and geographic reach to harness opportunities for organic growth and continue our emphasis on innovation and customization of our offerings and services to meet changing requirements of our customers.

Grow our business inorganically

Our Company, through its wholly owned subsidiary, MPS North America LLC at USA, has made two acquisitions in the education publishing services space in the last two years. Our Company has acquired the business of the Orlando-based Element LLC in July, 2013, which added to our range of services for school education publishers in the USA. Our Company has acquired the business of New York based Electronic Publishing Services Inc. in October, 2014, which has added content creation and other capabilities in the higher education space. Our Company believes that the industry, in which they operate, is ripe for further consolidation. Our Company intends to pursue inorganic growth opportunities both domestically and internationally, in the process adding more products, services, customers and developing deeper engagements. As on the date of this Placement Document, our Company has not entered into any agreements for acquisition but shall keep on exploring such acquisitions options and strategic investment opportunities which will help in expanding the scope of our existing services, add new customers or allow us to enter new geographic markets.

Development of new platform within the focused business segments along with increased focus on diverse market

Currently, our Company provides majority of their products and services to large publishing houses such as Macmillan, Cengage Learning, McGraw-Hill, Elsevier and Wolters–Kluwer. Our Company intends to expand its reach to small and medium publishers, which forms part of traditional markets and which has not served through different platforms. Our Company has developed a broad range of customized products and service offerings in order to address the varied and expanding requirements of small and medium publishers. Our Company is experiencing early success/positive response in this market with MPS Trak and DigiEdit. For example, our intention to foray into workflow management and tracking including configuration and task assignment at chapter and article level, manuscript submission by authors followed by peer review, task approval and reprint orders by authors, content management. Our Company believes that its products and services for small and medium publishers will help in growing its business. Our focus on development of new platform within the focused business segments along with increased focus on diverse market will help in further customizing our service offerings to meet the evolving needs of our customers including small and medium publishers.

SUMMARY FINANCIAL INFORMATION

The following selected information is extracted from and should be read in conjunction with our unaudited financial statements for the quarter and nine months period ended December 31, 2014 and our audited financial statements and notes thereto as at and for the twelve months period ended March 31, 2014, for the twelve months period ended March 31, 2013 and for the fifteen months period ended March 31, 2012 prepared in accordance with Indian GAAP, each included elsewhere in this Placement Document. In Fiscal 2014, we prepared consolidated financial statements of our Company and its subsidiary. You should refer to "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" beginning on page 57 for further discussion and analysis of the financial statements of our Company. The financial information included in this Placement Document does not reflect our Company's results of operations, financial position and cash flows in the future and our Company's past results are not a guarantee of its future operating performance.

Unaudited consolidated financial results for the quarter and the nine months ended on December 31, 2014

(₹ in Lacs)

Sl. No.	Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in previous year	Year to date figures for nine months ended	Year to date figures for nine months ended in previous year	Previous Year ended
		December 31, 2014	**September 30, 2014**	**December 31, 2013**	**December 31, 2014**	**December 31, 2013**	**March 31, 2014**
		(Un-Audited)	**(Un-Audited)**	**(Un-Audited)**	**(Un-Audited)**	**(Un-Audited)**	**(Audited)**
1.	**Income from operations**						
	a) Net sales/income from operations	6,317	5,557	5,632	16,893	14,514	19,728
	b) Other operating Income	-	-	-	-	-	-
	Total Income from operations (net)	**6,317**	**5,557**	**5,632**	**16,893**	**14,514**	**19,728**
2.	**Expenses**						
	a) Cost of materials consumed	-	-	-	-	-	-
	b) Purchases of stock-in-trade	-	-	-	-	-	-
	c) Changes in inventories of work-in-process (Increase)/Decrease	159	(69)	139	15	56	107
	d) Employee benefit expense	2,402	2,284	2,153	6,997	6,324	8,469
	e) Depreciation and amortization expenses	119	149	140	429	397	529
	f) Foreign Exchange (Gain)/Loss	(120)	(117)	(176)	(515)	243	319
	g) Other expenses	1,325	1,263	1,075	3,693	3,395	4,538
	Total expenses	**3,885**	**3,510**	**3,331**	**10,619**	**10,415**	**13,962**
3.	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	2,432	2,047	2,301	6,274	4,099	5,766
4.	Other income	165	102	160	381	489	667

Sl. No.	Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in previous year	Year to date figures for nine months ended	Year to date figures for nine months ended in previous year	Previous Year ended
		December 31, 2014	**September 30, 2014**	**December 31, 2013**	**December 31, 2014**	**December 31, 2013**	**March 31, 2014**
		(Un-Audited)	**(Un-Audited)**	**(Un-Audited)**	**(Un-Audited)**	**(Un-Audited)**	**(Audited)**
5.	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3±4)	2,597	2,149	2,461	6,655	4,588	6,433
6.	Finance costs	2	1	21	5	37	38
7.	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5±6)	2,595	2,148	2,440	6,650	4,551	6,395
8.	Exceptional items	-	-	-	772	-	-
9.	Profit/(Loss) from ordinary activities before tax (7±8)	2,595	2,148	2,440	7,422	4,551	6,395
10.	Tax expense	873	737	855	2,544	1,642	2,181
11.	Net Profit/(Loss) from ordinary activities after tax (9±10)	1,722	1,411	1,585	4,878	2,909	4,214
12.	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13.	Net Profit/(Loss) for the period (11±12)	**1,722**	**1,411**	**1,585**	**4,878**	**2,909**	**4,214**
14.	Paid-up equity share capital (Face Value - Rs 10 per Equity Share)	1,682	1,682	1,682	1,682	1,682	1,682
15.	Reserves excluding Revaluation Reserve as per the balance sheet	**-**	**-**	**-**		**-**	**7,491**
16. i	Earnings per share (before extraordinary items) (not annualised):						
	(a) Basic	**10.24**	**8.38**	**9.42**	**29.00**	**17.29**	**25.05**
	(b) Diluted	**10.24**	**8.38**	**9.42**	**29.00**	**17.29**	**25.05**
ii	Earnings per share (after extraordinary items) (not annualised):						
	(a) Basic	**10.24**	**8.38**	**9.42**	**29.00**	**17.29**	**25.05**
	(b) Diluted	**10.24**	**8.38**	**9.42**	**29.00**	**17.29**	**25.05**

SUMMARY OF BALANCE SHEET FOR LAST THREE FINANCIAL YEARS

(₹ in Lacs)

Particulars	Consolidated As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
I EQUITY AND LIABILITIES			
1. Shareholder‘s funds			
(b) Share capital	1,682.27	1,682.27	1,682.27
(b) Reserves and surplus	7,490.67	6,582.38	5,348.54
	9,172.94	**8,264.65**	**7,030.81**
2. Non – current liabilities			
(a) Long-term borrowings	1.80	12.45	50.88
(b) Deferred tax liabilities (net)	-	-	8.64
(c) Other long-term liabilities	7.42	9.10	133.56
	9.22	**21.55**	**193.08**
3. Current liabilities			
(a) Short term borrowings	362.69	440.74	440.74
(b) Trade payables	1,577.89	1,948.32	1,564.84
(c) Other current liabilities	521.60	895.63	408.03
(d) Short-term provisions	109.91	16.80	765.38
	2,572.09	**3,301.49**	**3,178.99**
Total	**11,754.25**	**11,587.69**	**10,402.88**
II ASSETS			
1. Non –current assets			
(a) Fixed			
(i) Tangible assets	1,761.57	1,900.77	2,188.20
(ii) Intangible assets	627.26	275.80	461.99
	2,388.83	2,176.57	2,650.19
(b) Deferred tax assets (net)	125.44	65.99	-
(c) Long-term loans and advances	2,081.92	1,798.41	1,464.96
(d) Other non-current assets	14.35	17.34	20.31
	4,610.54	**4,058.32**	**4,135.46**
2. Current			
(a) Current investments	1,754.07	1,773.12	1,220.19
(b) Inventories	782.79	889.55	924.95
(c) Trade receivables	3,215.38	2,980.08	2,423.53
(d) Cash and cash equivalents	1,161.49	1,110.39	893.10
(e) Short-term loans and advances	227.18	657.37	804.66
(f) Other current assets	2.80	118.87	0.99
	7,143.71	**7,529.38**	**6,267.42**
TOTAL	**11,754.25**	**11,587.69**	**10,402.88**

STATEMENT OF PROFIT AND LOSS FOR THE LAST THREE FINANCIAL YEARS

(₹ in Lacs)

	Particulars	Consolidated for the year ended March 31, 2014	For the year ended March 31, 2013	For the period ended March 31, 2012
I	Revenue from operations (net)	19,728.49	16,399.59	19,100.79
II	Other Income	666.60	497.80	672.26
III	**Total Revenue (I+II)**	**20,395.09**	**16,897.39**	**19,773.05**
IV	**Expenses**			
	(a) Changes in inventories of work-in-process	106.76	35.40	199.71
	(b) Employee benefits expense	8,468.60	7,712.43	10,686.56
	(c) Finance costs	38.43	58.77	129.99
	(d) Depreciation and amortisation expense	528.78	736.17	1,068.10
	(e) Other expenses	4,857.12	4,360.01	6,233.17
	Total Expenses	**13,999.69**	**12,902.78**	**18,317.53**
V	**Profit before tax (III-IV)**	**6,395.40**	**3,994.61**	**1,455.52**
VI	**Tax expense:**			
	(a) Current tax	2,240.45	1,221.99	377.38
	(b) (Less): MAT credit	-	(294.14)	-
	(c) (Excess) provision for tax relating to prior years	-	(47.63)	-
	(d) Net current tax expense	**2,240.45**	**880.22**	**377.38**
	(e) Deferred tax	(59.45)	(74.63)	(8.99)
	Net tax expense	**2,181.00**	**805.59**	**368.39**
VII	**Profit for the year (V-VI)**	**4,214.40**	**3,189.02**	**1,087.13**
VIII	**Earnings per equity share (of ₹ 10 each)**			
	Basic and Diluted	25.05	18.96	6.46

CASH FLOW STATEMENT FOR THE LAST THREE YEAR

(₹in Lacs)

Particulars	Consolidated For the year ended March 31, 2014	For the year ended March 31, 2013	For the period ended March 31, 2012
A. Cash flow from operating activities			
Net Profit / (Loss) before extraordinary items and tax	**6,395.40**	**3,994.61**	**1,455.52**
Adjustments for:			
Depreciation/Amortisation	528.78	736.17	1,068.10
Interest income	(2.52)	(10.44)	(37.33)
Income from Mutual Funds	(118.48)	(107.96)	(20.19)
Interest expenses	38.43	58.77	129.99
Profit/Loss on Sale/disposal / write-off of fixed assets (net)	(8.96)	20.66	175.73
Provision for doubtful debts no longer required written back	(30.76)	(3.67)	-
Liabilities/Provisions no longer required written back	(239.07)	(57.57)	(172.98)
Provision for doubtful loans and advances	111.25	33.27	25.50
Bad debts written off	113.27	7.95	97.09
Loans and Advances written off	39.93	-	-
Unrealised exchange difference (net)	7.24	(155.81)	85.37
Unrealised Marked to Market loss on Forward Contracts	-	(338.79)	338.79
	439.11	**182.58**	**1,690.07**
Operating profit / (loss) before working capital changes	**6,834.51**	**4,177.19**	**3,145.59**
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories of Work in Process	106.76	35.40	199.71
Trade receivables	(11.04)	(720.62)	437.86
Short-term loans and advances	184.06	64.99	(336.78)
Other current assets	115.66	(118.11)	-
Long-term loans and advances	(455.05)	(233.73)	415.44
Other Non Current Assets	2.99	38.13	(35.79)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	(601.68)	397.36	(2,896.44)
Other current liabilities	(492.60)	488.13	(42.73)
Other long-term liabilities	(1.68)	(124.46)	-
Short term provisions	0.49	-	-
	(1,152.09)	**(172.91)**	**(2,258.73)**
Cash generated from operations	**5,682.42**	**4,004.28**	**886.86**
Net income tax (paid) / refunds	(1,914.49)	(848.62)	(206.89)
Net cash flow from / (used in) operating activities (A)	**3,767.93**	**3,155.66**	**679.97**
B. Cash flow from investing activities			
Capital expenditure on fixed assets, including capital advances	(249.43)	(393.00)	(228.22)

Particulars	Consolidated For the year ended March 31, 2014	For the year ended March 31, 2013	For the period ended March 31, 2012
Proceeds from sale of fixed assets	28.16	86.02	46.86
Acquisition of business	(416.63)	-	-
Purchase of Investments - Others	19.05	(552.93)	(1,220.19)
Dividends received	118.48	107.96	20.19
Interest received - Others	2.93	10.67	37.23
Net cash flow from / (used in) investing activities (B)	**(497.44)**	**(741.28)**	**(1,344.13)**
C. Cash flow from financing activities			
Proceeds from Secured Loans	-	-	921.91
Repayment of long-term borrowings	(15.43)	(57.27)	(1,928.21)
Proceeds from Unsecured Loans	-	-	653.43
Repayment of Unsecured Loans	-	-	(150.00)
Finance cost	(10.74)	(10.97)	(47.06)
Dividend paid	(2,859.85)	(2,019.35)	(336.45)
Tax on dividend	(486.03)	(327.49)	(54.58)
Net cash flow from / (used in) financing activities (C)	**(3,372.05)**	**(2,415.08)**	**(940.96)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**(101.56)**	**(0.70)**	**(1,605.12)**
Impact on Cash Flow on account of Foreign Currency Translation	40.97	-	-
Opening Balance of Cash	1,109.22	891.31	2,551.53
Add:- Forex Gain / (Loss) Reversal of PY	(2.92)	215.69	160.59
Adjusted Opening Balance	**1,106.30**	**1,107.00**	**2,712.12**
Closing Balance of Cash	1,161.49	1,109.22	891.31
Add:- Forex Gain/ (Loss) of CY	(115.62)	(2.92)	215.69
Adjusted Closing Balance	**1,045.87**	**1,106.30**	**1,107.00**
	(60.59)	(0.70)	(1,605.12)
Cash and bank balances as per Balance Sheet	1,161.49	1,110.39	893.10
Less: Bank balances not considered as Cash and cash equivalents			
In earmarked accounts			
-Unpaid dividends accounts	0.16	1.17	1.79
Cash and cash equivalents at the end of the year*	**1,161.33**	**1,109.22**	**891.31**
*Comprises:			
(i) In current accounts	561.12	725.35	389.50
(ii) In EEFC accounts	600.21	278.87	306.07
(iii) In demand deposit accounts	-	105.00	195.74
	1,161.33	**1,109.22**	**891.31**

RISK FACTORS

This offering and an investment in Equity Shares involve a high degree of risk. You should carefully consider the risks described below as well other information contained in this Placement Document before making an investment decision. If anyone or some combination of the risks described below actually occurs, our business, prospects, financial condition, results of operation and cash flows could adversely affect, the trading price of our shares could decline and you may lose all or part of your investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. We have described the risks and uncertainties that our management believes are material but the risks set out in this Placement Document may not be exhaustive or complete and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future.

*This section should be read together with chapters titled "**Management's Discussion and Analysis of Financial Condition and Results of Operations**", "**Industry Overview**" and "**Business**" beginning on pages 57, 67 and 75, respectively, as well as the financial statements, including the notes thereto, and other financial information included elsewhere in this Placement Document. This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Placement Document. Additional risks not described below or not currently known to us or that we currently deem immaterial may also adversely affect the market price of our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue including the merits and the risks involved. Investors should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory regime which in some respects may be different from that applicable in other countries. Investors should consult tax, financial and legal advisors about the particular consequences of an investment in the Issue.*

A. Internal Risks and Risks Associated with our Business.

1. Any adverse decisions in any of the legal and regulatory proceedings in which we are involved could adversely affect our reputation and financial condition

Our Company is currently involved in certain legal proceedings in India. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. We can give no assurance that these legal proceedings will be decided in our favour and we may incur significant expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If any new developments arise, for example, a change in Indian law or rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For further details on the outstanding litigations pertaining to our Company and our Promoter refer to chapter titled "***Legal Proceedings***" beginning on page 149.

2. Our revenues are highly dependent on customers located in the USA and UK. Economic slowdowns and other factors that affect the economic health of USA and UK may adversely affect our business

The majority of our revenues are derived from customers located in USA and UK. For the Fiscal 2013 and Fiscal 2014, our Company derived aggregate revenue of 96.42 % and 97.31 %, respectively, from our customers located in USA and UK. Consequently, in the event of any economic slowdown or any other factors adversely affecting the economic conditions of USA and UK, our customers may reduce or postpone their spending significantly, which may in turn reduce the demand for our services and adversely affect our business, profitability, financial condition and results of operations. For further details of our business and dependence on economies like the USA and UK, please refer to the chapter titled "***Business***" beginning on page 75.

3. Any restrictions or sanctions or government control on outsourcing of work by countries where our customers are located may adversely affect our business, profitability and results of operations

Our Company derives majority of its revenue from customers located in USA and UK. Most of our customers are in the business of publishing or providing publishing solutions and outsource a part of

their work to our Company. Offshore outsourcing has been the subject of intense political debate, and has come under increased government scrutiny within the countries where our end markets are located due to its perceived association with loss of jobs in these countries. Several governments have implemented or are actively considering implementing restrictions or sanctions on outsourcing work to offshore IT services providers. Any changes in these countries in relation to their existing laws or the enactment of new legislation restricting offshore outsourcing, particularly by private companies, may adversely impact our business, financial condition and results of operations.

4. Our Company derives a significant portion of its revenues from our top ten customers, loss of, or a significant reduction in the revenues we receive from, one or more of these customers, may adversely affect our business and financial condition

Our Company derives a significant portion of its revenues from our top ten customers. For Fiscal 2013, Fiscal 2014 and for nine months period ending on December 31, 2014, our top ten customers accounted for 72.13%, 71.88% and 78%, respectively, of our revenues.

Our revenues appear concentrated amongst our top ten customers, these top ten customers have been varying each year depending on the volume of business with them. Further, considering that there is significant competition for the services provided by us and that our Company does not provide exclusive service to our major customers, the quantum of revenues generated from the major customers could vary from time to time. Further, our major customers typically retain us under master services agreements which do not provide for specific amounts of guaranteed business. The terms of these agreements are such that, these agreements as well as the project assignments received under these master services agreements, typically, are capable of being terminated by our customers upon short notice and with or without significant penalties. Upon occurrence of any of such eventuality or any loss of our major customers we face the risk of lesser revenues which in turn adversely affects our business operations, financial conditions and operations.

Further, our dependence on top ten customers exposes to risk of business loss, if any of our top ten customers suffers any loss of business or loss of clientele or exposed to bankruptcy.

Should any of these top ten customers either curtail or discontinue its dealings with us, it will have a significant impact on our business and results of operations. For further details of our business please refer to the chapter titled ***–Business***" on beginning on page 75.

5. Our Company is exposed to foreign currency exchange risks, which we may not be able to manage effectively. Currency exchange rate fluctuations could adversely affect our financial results

The exchange rate between the Indian Rupee, the USD, GBP and Euro has been volatile in recent years and may fluctuate in the future. For Fiscal 2014, the average exchange rate for USD INR was ₹ 60.50, whereas the highest was ₹ 68.36 and lowest was ₹ 53.74.

Our exchange rate risk primarily arises from our foreign currency revenues, receivables, payables, etc. As such, our business is highly sensitive to foreign-exchange rates. The foreign exchange fluctuation affects the revenues in absolute terms when converted into Indian Rupees. To this extent, the revenues will be higher or lower depending on the depreciation or appreciation of Indian Rupee in foreign currency terms.

Our Company's Foreign Exchange gain/(loss) for the Fiscal 2013, Fiscal 2014 and for nine months period ended December 31, 2014 were ₹ 129.71 Lacs, ₹ (319.32) Lacs and ₹ 515.35 Lacs, respectively. Our Foreign Exchange gain and loss represented 0.77 per cent, (1.57) per cent and 3.05 per cent of our total revenues for Fiscal 2013, Fiscal 2014 and for nine months period ended December 31, 2014, respectively. To manage our foreign exchange exposure, we may or may not enter into various derivative contracts. For details of the foreign currency exposures of our Company that are not hedged as of March 31, 2014, please refer to the chapter titled ***–Financial Statements***" beginning on page 156. However, there is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures in full, if at all, at all times.

Therefore, fluctuation in the exchange rate between the Indian Rupee, USD, GBP and Euro may have a material effect on our revenues and PAT. Our inability to manage foreign currency exchange rate fluctuations effectively could affect our financial results.

6. ***In the event our contingent liabilities that have not been provided for materializes, our liquidity, business, prospects, financial condition and results of operations may be adversely affected***

As of March 31, 2014, contingent liabilities disclosed in the notes to our audited financial statements aggregated ₹ 1,791.70 Lacs as summarised below:

Nature of contingent liability claims not acknowledged as debts	Amount *(₹in Lacs)*
Income Tax	853.58
Service Tax	675.56
Employee State Insurance & Provident Funds	6.56
Other	256.00
Total	1,791.70

The above mentioned contingent liabilities are based on the notice of demand, assessment orders and claims by the relevant authorities. For further details please refer to chapter titled "***Legal Proceedings***" beginning on page 149. Out flow, if any, arising out of these claims would depend on the outcome of the decisions of the relevant authorities. In the event our contingent liabilities that have not been provided for materializes, our liquidity, business, prospects, financial condition and results of operations may be adversely affected.

7. ***Our Company has in the past entered into related party transactions and will continue to do so in the future. Such transactions or any future transactions with related parties may potentially involve conflict of interest and impose certain liabilities on our Company***

During the course of business, our Company has entered into transactions with related parties that include entities forming part of our Promoter Group. The cumulative figure of related party transactions for the last two financial years ended March 31, 2013 and 2014 are as follows:

(₹in Lacs)

Nature of transaction	Year ended March 31, 2013	Year ended March 31, 2014
Remuneration and allowances to Directors / KMPs	202.83	221.00
Rent paid	164.24	275.82
Purchase of fixed assets	197.77	40.41

While our Company believes that all related party transactions have been conducted on an arm's length basis and are accounted as per Accounting Standard 18, however there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

8. ***Success of our business is substantially dependent on our key employees and our Chairman and Managing Director, Whole Time Directors, our inability to retain them could adversely affect our business and operations***

Our senior managerial personnel possess the requisite knowledge for the industry in which our Company operates to deliver efficiently. Accordingly, our Company's performance is dependent upon the services of our Chairman and Managing Director, whole time directors and senior managerial personnel. Our future performance will depend upon the continued services of these persons. Demand for senior managerial personnel in the industry is intense and our inability to attract and retain senior managerial personnel may affect the operations of our Company.

Our Company may not be able to retain such persons or find suitable replacement in a timely and cost efficient manner. Further, our key personnel may leave us and subsequently may join our competitors. Though, we engage our key personnel on the basis of offer letters which provide for restrictions such as confidentiality and non-compete, our Company cannot ensure that we would be able to enforce such restrictions at all. The loss of one or more members of our key employees may adversely affect our business.

For instance, Nishith Arora who is the Chairman and Managing Director of our Company who holds a Bachelor's degree in Arts (Economics) from University of Delhi and a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad and has completed a three year Owner President Management program at Harvard Business School, has considerable experience in domestic and international outsourcing and offshoring. He has experience in domestic and international outsourcing and offshoring. Pursuant to change in the management in the Fiscal 2012, he along with the team has been guiding force for the turnaround of our Company. Hence, our Company is dependent on availability of his services for future growth and strategic initiative.

Thus, success of our business is substantially dependent on our key employees and our Chairman and Managing Director, Whole Time Directors and our inability to retain them could adversely affect our business and operations.

9. An increase in employee attrition rates could adversely affect our business and results of operations

Being a knowledge driven business, a significant increase in employee attrition may adversely affect our business. Although we maintain a robust knowledge management and training programs to control the loss of attrition, we cannot guarantee adequacy and efficiency of such measures. As on December 31, 2014 we had total of 2,862 employees. As on March 31, 2014 and March 31, 2013 we had 2,535 and 2,331 employees, respectively.

Our Company invests significant time and money in training the professionals that are hired to perform the services provide to our customers. Our Company believes that there is also a significant competition in our industry among employers to attract these professionals with the skills necessary to perform the services we offer. In addition, our Company may have difficulty in retraining our professionals to keep pace with continuing changes in technology, evolving standards and changing customer preferences. In the event our Company is unable to hire and retain qualified personnel, our ability to obtain new orders or execute existing orders may be impaired. In addition, our Company may not be able to expand its business effectively thereby adversely affecting our revenues.

10. Salary increases in India may prevent us from sustaining our competitive advantage and may reduce our profit margin

Our most significant costs are the salaries and related benefits paid to of our operations staff and other employees. As on December 31, 2014, total numbers of employees of our Company were 2,862 as compared to 2,766 on December 31, 2013. Employee cost for nine months period ended December 2014 increased by 10.6% to ₹ 6,997 Lacs compared to ₹ 6,324 Lacs for nine months period ended December 2014. Salary as percentage of total revenue for nine months ended December 31, 2014 and December 31, 2013 was 40.5% and 42.2%, respectively. Salaries in India have historically been significantly lower than salaries in the USA and Europe for comparably skilled professionals, which has been one of our competitive advantages. However, because of rapid economic growth in India, increased demand for services from India and increased competition for skilled employees in India, salaries for comparably skilled employees in India are increasing, which may reduce this competitive advantage. Any increase in salary in the long term may reduce our profit margins, if we are unable to pass it on to our customers or fail to improve the productivity.

11. Our Company operates in a highly competitive environment. Any failure to compete effectively may have a material adverse effect on our business, financial and results of operations

The markets for publishing solution services are rapidly evolving and highly competitive. Our Company faces competitive pressure from a broad spectrum of Indian and international publishing solution provider. Our Company believes that competition will continue to intensify both through the entry of new players and consolidation of existing players. Some of our competitors may have greater

financial resources, technical and marketing resources and generate greater revenues, and therefore may be able to respond better to market changes than we can. Our Company also believes that our ability to compete depends on a number of factors beyond our control including the ability of our competitors to attract, train, motivate and retain highly skilled employees, the price at which our competitors offer comparable services and the extent of our competitors‘ responsiveness to customer needs. Our inability to adequately address competitive pressures may have a material adverse effect on our business, prospects and results of operations.

12. Our Company has undertaken and may undertake acquisitions and / or other strategic initiatives in the future, which may prove to be difficult to integrate and manage or may not be successful, and may result in increased expenses or write-offs

Our Company, in recent past, through its Subsidiary, have acquired the business of Electronic Publishing Services Inc. and Element LLC to expand our existing products and services offerings in school and higher education segment. As part of our growth strategies, our Company may in the future pursue further acquisitions and / or other strategic opportunities to enhance our capabilities and continue developing industry expertise, technical expertise and geographic coverage. There can be no assurance that we will be able to successfully execute future acquisitions or efficiently manage the businesses we acquire.

Our ability to achieve the benefits we anticipate from our acquisitions will depend upon our ability to integrate the businesses of the acquired entity with our Company in an efficient and effective manner. The integration process may involve unforeseen difficulties that could require significant time and attention of our management. Further, future acquisitions and strategic alliances with third parties could subject us to risks of integration. There is a possibility that such acquisitions and / or other strategic initiatives may eventually fail to obtain synergic benefits and / or tantamount to increased expenses, write-offs or other financial adverse impact on our business, revenues and thereby on our profitability.

13. If our Company is unable to successfully protect our computer systems from security risks, our business could suffer

Few of our products and solutions operate on web technologies. Our contracts with customers require us to comply with certain security obligations, including maintenance of network security, back-up of data, ensuring our network is virus-free and ensuring the credentials of those employees who work with our customers. Our Company cannot assure that they will be able to comply with all these obligations and not incur any liability. Further, while our Company has implemented industry-standard security measures, our network may still be vulnerable to unauthorized access, computer viruses and other disruptive problems. Anybody who is able to circumvent security measures could misappropriate proprietary information and cause interruptions in our operations. Thus, if we are unable to successfully protect our computer systems from security risks, our business could suffer and we may also be subjected to claims for losses and damages from customers for any loss of data or breach of confidentiality provisions.

14. Disruption in our back-up data and back-up system could adversely affect our business

We have locally hosted back up servers to run our operations at Dehradun, Bangalore, Chennai, Noida and Gurgaon and we carry most of our work on our servers, which are backed-up on a regular basis. Our Company has backup systems and contingency plans for critical aspects of our operations or business processes, certain other non-critical systems are not fully redundant and our disaster recovery or business continuity planning may not be sufficient. Although our Company continues to take reasonable measures to protect any loss of critical data for ensuring uninterrupted delivery of services, any disruption in our back-up data and back-up system could impact our delivery time schedules hence reputation and trust of our customers which may adversely impact our business.

15. Defaults in customer payments could result in a reduction of our profits, which in turn may adversely affect the financial condition and results of operations of our Company

Our Company regularly commits resources to projects prior to receiving advances. Generally the terms of the master service agreements with our customers, require our customers to pay us within 45 to 60 days. For the Fiscal 2013 and Fiscal 2014, our Company has written off debts amounting to ₹ 7.95 Lacs

and ₹ 113.27 Lacs, respectively. If any of our customers default in their payments on a projects/orders to which we have devoted significant resources or if a projects/orders in which we have invested significant resources is delayed, cancelled or does not proceed to completion, it could have an adverse effect on our profits, which in turn may adversely affect the financial condition and results of operations of our Company.

16. Our customers may have claims for losses, damages and substantial penalties against our Company, if we provide inadequate service or cause disruptions to their businesses due to any deficiency in providing service to such customers

The master service agreements entered into with our customers for the engagement of our services have several contractual obligations including confidentiality, data and system security, non-compete and insurance coverage. Publishing solution including typesetting, digital conversion, prepress, editorial project management that our Company provides to its customers are often critical to publishing businesses. If our customers' proprietary rights are infringed by our employees in violation of any applicable confidentiality agreements and / or our customers perceive any deficiency in service, our customers may consider us liable for such act and seek damages, impose penalties or recover losses from us.

Our Company faces the risk of liabilities from lawsuits or claims by our customers. Our Company cannot ensure that any limitations of liability or insurance coverage set forth in our service contracts are adequate, or will be enforceable in all instances, or will otherwise protect our Company from liability for damages/losses in the event of a claim for breach of our obligations. Adequate insurance coverage may not be available or be sufficient to cover such claims. Successful assertions of one or more large claims against us could have a significant adverse effect on our business, results of operations and financial condition.

17. Our Company may be exposed to liability arising out of substantial damages caused to our customers for unauthorised disclosure of sensitive and confidential information whether through a breach of our computer systems, through our employees or our agents or otherwise

Our Company typically manages, utilizes and stores sensitive or confidential customer information/data with regards to services provided to its customers. Under the terms of customer contracts, our Company is required to keep such information strictly confidential. Consequently, our contracts with those customers contain robust provisions relating to confidentiality and data protection. Our contracts with customers do not always include a limitation on our liability to them with respect to breaches of our obligation to maintain the confidentiality of the information received by our Company from its customers and a number of our customer contracts can be terminated immediately in the event of a breach of the data protection or confidentiality provisions. Our Company has taken measures to protect sensitive and confidential customer data and to protect our customers' property, but notwithstanding these measures, if any person, including any of our employees or agents, penetrate our network security or otherwise mismanages or misappropriates sensitive or confidential customer data, our Company could be subject to significant liability and lawsuits from our customers or their customers for breaching contractual confidentiality or data protection provisions or privacy laws. The occurrence of such events could have a negative impact on our professional reputation, which would harm our business and expose us to pay significant amounts towards damages to our customers, thereby reducing our profitability and adversely affecting the financial conditions of our Company.

18. The success of our business is dependent on our ability to anticipate and respond to customers requirements. If our Company is unable to anticipate and respond to the needs and requirements of our existing and prospective customers and our business may be adversely affected

Our Company is in the service industry and is driven by the quality of services we provide and meeting the expectations of our customers. Our Company strives to keep up with the evolving customer requirements to enhance our existing business and level of customer service. Further, our customers require our Company to devise and implement solutions, to achieve better efficiencies in their business. This requires a considerable understanding of the business carried out by our customers, the domain and the ability to devise solutions, along with the technology to implement these solutions. If our Company is unable to anticipate and respond to the needs and requirements of our existing and prospective customers and our business may get affected.

19. Our Company may be required to make significant investments and capital expenditure in upgrading the technological infrastructure and in maintaining sufficient levels of bandwidth and connectivity redundancy, each of which would impact our profitability

Technological and connectivity infrastructure owned by our Company are essential to our business and must be kept up to date and at sufficient levels to maintain the level of quality of services provided to our customers. Connectivity to customers' systems is a key component of our solution and service offerings. Any disruption in the supply of power and IT, infrastructure could negatively impact our business since our Company may not be able to provide timely or adequate services to our customers. In order to ensure uninterrupted services to our customers, our Company may continue to invest in building, upgrading and maintaining a suitable network and procure additional bandwidth which will translate into additional expenses for us and may impact our profitability. Further, our current technology, such as our hardware, software and network systems may become obsolete and we may have to make investments in upgrading our technological infrastructure to be current with market trends. This would require capital expenditure from us and may impact our profitability

20. Our Company may not be able to successfully implement and effectively manage our strategies which could have a material adverse effect on our results of operations and financial conditions

Implementation of our strategies is subject to and involves risks and difficulties which may be beyond our control and accordingly, there can be no assurance that our Company will be able to implement them in timely manner or at all. Any inability on our part to manage or implement our strategy effectively could have an adverse effect on our results of operations and financial conditions. Further, our Company operates in competitive industry and on account of changes in market conditions, industry dynamics, technological improvements and any other relevant factors, our strategies may undergo substantial changes or modifications including limiting or foregoing growth opportunities, if any.

21. Our presence in various locations exposes us to several regulatory and other requirements of multiple jurisdictions

Our Company has physical presence in Bengaluru, Chennai, Delhi, Gurgaon, Noida, and Dehradun in India and offices at Portland (Oregon) and London (United Kingdom). Further, our Company operates through its Subsidiary having offices at Orlando (Florida), Durham (North Carolina) and Champaign (Illinois) in USA. Location of our Company in various jurisdictions mandates us to comply with several regulatory and other requirements prevailing therein. In case, our Company is unable to comply with mandatory requirements of existing regulatory and other requirements or fails to keep abreast with any amendments made thereunder, our Company may be exposed to significant fines and penalties which may be imposed for non-compliance with such regulatory and other requirement, thereby affecting our profitability and financial condition.

22. Failure to meet our delivery timelines could impact our reputation and could also lead to cancellation of our contracts

Our Company provides publishing solution including typesetting, digital conversion, prepress, editorial project management to various customers. As per the terms of certain contracts, our Company is expected to deliver ready to print scripts at different points in time, as per the given schedule. Our operations are streamlined to take into account our delivery schedule. While a certain amount of time is always calculated as buffer, any serious disruption/failure in our system or shortage of work force will impact our ability to meet our delivery timelines. Such failure could adversely affect our reputation and require us to incur additional charges which may adversely impact our profit margins. Further, this may also lead to cancellation of contracts.

23. Most of the properties used by are not owned by our Company. Any termination or failure to renew the relevant lease/license agreements/rental arrangements may adversely affect our operations

Most of the properties, including the Registered Office and the Corporate Office, used by our Company except Bangalore facility from where our Company operates is not owned by our Company and is used by our Company pursuant a lease/license/rental arrangement. In the event that our Company is required

to vacate such properties and relocate our Registered Office, Corporate Office, other facilities/offices, our Company would be required to spend time and financial resources to locate suitable premises for our office(s) and facility(ies), which may adversely affect our operations.

If the owner of such premises does not renew the agreement under which we occupy the premises or renew such agreements on terms and conditions that are unfavourable to us or is terminated prior to its tenure, our business and results of operations may be adversely affected. In addition, any adverse impact on the title and ownership rights of the owners from whose premises we operate or any breach of the contractual terms of such lease or leave and license agreements may adversely impact us.

24. Our insurance coverage may not adequately protect us against losses, and successful claims that exceed our insurance coverage may adversely affect our business, results of operations and financial condition

Our Company maintains insurance coverage of the type and in the amounts that are commensurable with our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there may be types of risks and losses for which our Company does not maintain insurance, because they are either uninsurable or because insurance is not available on acceptable terms. A successful assertion of one or more claims against our Company that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, results of operations and financial condition.

25. As the securities of our Company are listed on Stock Exchanges in India, our Company is subject to certain reporting requirements under SEBI Insider Trading Regulations, Takeover Code and listing agreement. Any delay in complying with such reporting requirements may render us liable to penalties

Our Company is subject to certain reporting requirements under SEBI Insider Trading Regulations, Takeover Code and listing agreement. Though our Company endeavours to comply with all such reporting requirements, there may be certain instances of delays in complying with such reporting requirements. Although our Company has not received any communication from the stock exchanges or any authority in this regard, there could be a possibility that penalties may be levied against our Company for certain instances of such delays in complying with such reporting requirements.

26. Our Promoter, as at December 31, 2014, holds 75 % of our equity and may be in a position to influence the result of shareholders' voting

As of December 31, 2014, 75 % of the issued and outstanding Equity Shares of our Company are owned by our Promoter. Consequently our Promoter is likely to have the ability to exercise significant control over most matters requiring approval by shareholders, including the election and removal of directors and significant corporate transactions. The interests of our controlling shareholders could conflict with the interests of our other shareholders, including the holders of the Equity Shares, and the controlling shareholders could make decisions that adversely affect your investment in the Equity Shares.

27. Our ability to pay dividends in the future will depend upon our earnings, financial condition, cash flows and capital requirements

Our Company has declared and paid ₹ 1,956 Lacs and ₹ 3,346 Lacs for the Fiscal 2013 and Fiscal 2014, respectively, as dividend including dividend distribution tax to our shareholders. Dividends that we have paid in the past may not be reflective of the dividends that we may pay in a future period. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows and capital requirements. There can be no assurance that we will be able to pay dividends in the future. For further details, please refer to the chapter titled "***Dividend Policy***" beginning on page 56. Further we cannot assure you that our dividend yields maintain our past practice.

28. Our Company is yet to finalise definitive plan to deploy the funds raised through this Issue

Our Company proposes to utilise part of this Issue for acquisitions and other strategic initiatives wherein, we have not entered into any definite agreements with anyone as on the date of this Placement Document. Our Company cannot assure that they would be able to consummate acquisitions or conclude such definitive agreements on acceptable terms, or if at all. We cannot assure that our acquisitions, if any, would not be overpriced. Our management will have significant flexibility in applying the proceeds of this Issue.

29. Our Company has applied for registration of the corporate logo and other intellectual property rights and hence our Company may not be able to adequately protect our intellectual property

Our Company has applied for registration of the corporate logo –MPS" under the provisions of the Trademarks Act, 1999. We have applied for registration of our corporate logo under various class of the Trademarks Act, 1999 *vide* an application dated March 11, 2015 and our application is pending before the Registrar of Trademarks, New Delhi. Further, our Company has made an application for registration of copyright under Literary Work for DigiEdit, DigiComp, DigiXML and MPSTrak forming part of MPS DigiCore and is pending before the concerned registration authority under the Copyrights Act, 1957. There can be no assurance that our Company will be able to register our corporate logo or that any third party will not misuse our name or corporate logo or our copyrights or passing off its intellectual property, which may adversely affect our business prospects and goodwill.

EXTERNAL RISK FACTORS

1. Political instability or changes in the government in India could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which would impact our financial results and prospects.

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the roles of the Indian central and state governments in the Indian economy as producers, consumers and regulators remain significant as independent factors in the Indian economy. There is no guarantee that the new government which was elected in May 2014 will be able to enact an optimal set of reforms or that any such reforms would continue or succeed if there were a change in the current majority leadership in the government in the future. There is also no guarantee that the government will announce an optimal set of reforms or policies in the future. The rate of economic liberalization is subject to change and specific laws and policies affecting banking and finance companies, foreign investment, currency exchange and other matters affecting investment in our securities are continuously evolving as well. Other major reforms that have been proposed are the goods and services tax, the direct tax code and the general anti-avoidance rules (GAAR). Any significant change in India‘s economic liberalization, deregulation policies or other major economic reforms could adversely affect business and economic conditions in India generally and our business in particular.

2. The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to greater compliance requirements and increase our compliance costs.

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in offer document, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors, insider trading and restrictions on directors and senior managerial personnel from engaging in forward dealing. We may also need to spend, in each financial year, at least 2.0% of our average net profits during the three immediately preceding financial years towards corporate social responsibility activities and disclose our corporate social responsibility policies and activities on our website. As a result of the changes brought about by the

Companies Act, 2013 to the provisions relating to accounting policies, going forward, we may also be required to apply a different rate of depreciation.

The Companies Act, 2013 has introduced certain additional requirements which do not have corresponding provisions under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such requirements due to limited jurisprudence in respect of the relevant provisions. In the event our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

3. Terrorist attacks, civil disturbances, wars, regional and communal conflicts, natural disasters, fuel shortages, epidemics and labour strikes in India and elsewhere may have a material adverse effect on our Company's business and on the market for securities in India.

India has experienced civil and social unrest, terrorist attacks such as the attacks in November 2008 and July 2011 in the city of Mumbai, and other acts of violence. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, future financial performance, cash flows and the market price of our Equity Shares. Southern Asia has also, from time to time, experienced instances of civil unrest, political tensions and hostilities among neighbouring countries. Additionally, any of these events could lower confidence in India‘s economy and create a perception that investments in companies with Indian operations involve a high degree of risk, which could have a material adverse effect on the price of the Equity Shares. Any discontinuation of business or loss of profits due to such extraneous factors may affect our operations. Further, our operations are dependent on our ability to protect our facilities and infrastructure from fire, explosions, floods, typhoons, earthquakes, power failures and other similar events. India has experienced natural disasters such as earthquakes, a tsunami, floods and droughts in the past few years.

In addition, our Company cannot give assurance that the insurance coverage maintained by them for such risks will adequately compensate it for all damage and economic losses from natural or man-made catastrophes. The occurrence of a natural disaster of a significant scale could cause interruptions in our operations. The extent and severity of these natural disasters determines our impact on the Indian economy and infrastructure.

4. Compliance with fresh and changing corporate governance and public disclosure requirements adds uncertainty to our compliance abilities and increases compliance cost.

Changing laws, regulations and standards relating to accounting, corporate governance and public disclosure, SEBI ICDR Regulations and Indian stock market listing regulations have increased the complexity of our compliance obligations. These new or changed laws, regulations and standards may be subject to varying interpretations. Their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. Ongoing revisions to such governance standards could result in continuing uncertainty regarding compliance matters and higher costs of compliance. Our efforts to comply with evolving laws, regulations and standards in this regard may result in increased general and administrative expenses and cause a diversion of management resources and time. If we fail to comply with new or changed laws, regulations or standards, our reputation and business may be harmed.

5. Statistical and industry data in this Placement Document may be incomplete or unreliable.

Statistical and industry data used throughout this Placement Document has been obtained from various government and industry publications. Our Company believes that the information contained herein has been obtained from sources that are reliable, but our Company has not independently verified it and the accuracy and completeness of this information is not guaranteed and its reliability cannot be assured. The market and industry data used from these sources may have been reclassified by us for purposes of presentation. In addition, market and industry data relating to India, its economy or its industries may be produced on different bases from those used in other countries. As a result data from other market sources may not be comparable. The extent to which the market and industry data presented in this

Placement Document is meaningful will depend upon the reader's familiarity with and understanding of the methodologies used in compiling such data.

Further, this market and industry data has not been prepared or independently verified by us or the Book Running Lead Managers or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based on such information.

6. A slowdown in economic growth in India and overseas could materially and adversely affect our results of operations and financial condition.

Our performance and the quality and growth of our business are dependent on the health of the global economy and in particular, the Indian economy. There have been periods of slowdown in the economic growth of India and overseas in the recent past. In the past, economic slowdowns have harmed manufacturing industries. Any future slowdown in the Indian or overseas economy could harm our results of operations and financial condition.

7. Conditions in Indian stock exchanges may affect the price or liquidity of the Equity Shares.

The Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of their listed securities. The Indian stock exchanges have experienced problems that, if they continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares of our Company. Problems in the past included temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on the trading of certain securities and limitations on price movements and margin requirements. Furthermore, disputes have occurred from time to time between listed companies, stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

8. The trading price of the Equity Shares may be subject to volatility and investors may not be able to sell the Equity Shares at or above the Issue Price.

The trading prices of publicly traded securities may be highly volatile. Factors affecting the trading price of the Equity Shares include:

- variations in our operating results;
- announcements of new joint ventures, strategic alliances or agreements by us or by our competitors;
- the financial and operational performance of our joint ventures and its investments in associates;
- loss of our key customers;
- favourable or unfavourable reports by a section of the media concerning in relation to our business and operations; and
- changes in the estimates of our operating results or changes in recommendations by any securities analysts that elect to research and report on the Equity Shares.

In addition, if the stock markets experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, results of operations or financial condition. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in our industry, even if these events do not directly affect us. Any of these factors, among others, could materially and adversely affect the price of the Equity Shares.

9. There is no guarantee that the Equity Shares issued pursuant to this Issue will be listed on the Stock Exchanges in a timely manner, or at all.

In accordance with Indian law and regulations and the requirements of the Stock Exchanges, in principle and final approvals for listing and trading of the Equity Shares issued pursuant to this Issue will not be applied for or granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted. Accordingly, there could be a failure or delay in listing the Equity Shares on the Stock Exchanges. If there is a failure or a delay in obtaining such approvals, we may not be able to credit the Equity Shares allotted to the investors to their depository participant accounts or assure ownership of

such Equity Shares by the investors in any manner promptly after the Closing Date or at all. In any such event, the ownership of the investors over Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, see ***Issue Procedure***" beginning on page 111.

10. After this Issue, our Equity Shares may experience price and volume fluctuations.

The Issue Price will be determined by us in consultation with the Book Running Lead Manager, based on the Bids received in compliance with Chapter VIII of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. You may be unable to resell your Equity Shares at or above the Issue Price and, as a result, you may lose all or part of your investment.

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, adverse media reports on us, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India‘s economic liberalization and deregulation policies, and significant development in India‘s fiscal regulations.

11. An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than across a recognised Indian stock exchange for a period of 12 months from the date of issue of the Equity Shares.

Pursuant to the SEBI (ICDR) Regulations, for a period of 12 months from the date of the allotment of Equity Shares in the Issue, Eligible QIBs subscribing for Equity Shares in the Issue may only sell their Equity Shares on any recognised stock exchange in India where Equity Shares of our Company are listed, and may not enter into any off-market trading in respect of these Equity Shares. Our Company cannot be certain that these restrictions will not have an impact on the price of Equity Shares.

12. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied and collected by the domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax on a gain upon the sale of the Equity Shares in India as well as in their own jurisdiction. For further information see "***Taxation***" beginning on page 141.

13. SEBI prescribed an index-based market-wide circuit breaker. Any operation of a circuit breaker may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.

The index-based market-wide circuit breaker system applies at 3 stages of the index movement, either way viz. at 10%, 15% and 20% of last day closing prices of BSE Sensex or the NSE CNX Nifty. These circuit breakers when triggered bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the BSE Sensex or the NSE CNX Nifty, whichever is breached earlier.

The market shall re-open, after index based market-wide circuit filter breach, with a pre-open call auction session. The extent of duration of the market halt depends on timing of application of this index-based market-wide circuit breaker system.

Due to the application of this circuit breaker, there can be no assurance that shareholders will be able to sell the Equity Shares at their preferred price or at all at any particular point in time. This may have an adverse effect on our operations and business.

14. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

15. Any future issuance of Equity Shares may dilute the shareholding of investors and any future sales of Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.

The future issuance of Equity Shares by us, or the disposal of Equity Shares by any of our major shareholders, including by the Promoters, lenders that have received a pledge of our Equity Shares as security and are seeking to enforce such security, or the perception that such issuance or sales may occur, may significantly affect the trading price of the Equity Shares. There is no restriction on our ability to issue Equity Shares or the ability of any of our shareholders to dispose of, pledge or otherwise encumber their Equity Shares, and there can be no assurance that we will not issue Equity Shares or that our shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. Future issuances of Equity Shares may dilute the shareholding of the investors and may adversely affect the trading price of the Equity Shares. Subject to applicable law, such securities may also be issued at prices below the then market price of the Equity Shares.

16. Applicants to the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

In terms of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The Allotment of the Equity Shares in this Issue and the credit of such Equity Shares to the applicant‘s demat account with depository participant could take approximately seven days and up to 10 days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant‘s decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the applicants‘ ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

MARKET PRICE INFORMATION

Our Equity Shares are listed and traded on BSE and NSE. The stock market data presented below is given for the BSE and the NSE separately. As on the date of the Preliminary Placement Document, our Company has 16,82,26,68 Equity Shares of face value ₹ 10 each issued, subscribed and paid up.

The following tables set forth the reported high, low, the number of Equity Shares traded and the total trading volume on the dates on which such high and low prices were recorded and the average closing prices of the Equity Shares, on the BSE and the NSE during the calendar years ended December 31, 2014, December 31, 2013 and December 31, 2012.

The high, low and average market prices of our Equity Shares during the preceding three years

NSE

Calendar Year	High (₹)(1)	Date of High	Number of Equity Shares traded on date of high	Volume on date of high (₹ in Lacs)	Low (₹)(2)	Date of low	Number of Equity Shares traded on date of low	Volume on date of low (₹ in Lacs)	Average price for the Calendar Year* (₹)	Total Number of Equity Shares traded	Total Volume (₹ In Lacs)
2014	831	November 28, 2014	2,31,755	1,855.54	207.55	January 27, 2014	8979	19.24	449.10	73,41,377	33,924.02
2013	244	December 30, 2013	92,017	209.55	99	June 27, 2013	9818	9.94	132.55	22,20,238	3,113.32
2012	136.5	December 26, 2012	4,6311	61.32	32.15	January 6, 2012	659	0.22	58.55	23,84,640	2,059.82

Source: www.nseindia.com
** Average of the daily closing price*
(1) High of Intraday Highs. In case the price is the same on 2 dates then the date on which the volume is higher has been considered.
(2) Low of Intraday Lows. In case the price is the same on 2 dates then the date on which the volume is higher has been considered.

BSE

Calendar Year	High (₹)(1)	Date of high	Number of Equity Shares traded on date of high	Volume on date of high (₹ in Lacs)	Low (₹)(2)	Date of Low	Number of Equity Shares traded on date of low	Volume on date of low (₹ in Lacs)	Average price for the Calendar Year* (₹)	Total Number of Equity Shares traded	Total Volume (₹ In Lacs)
2014	830.55	November 28, 2014	55,645	443.66	202	January 27, 2014	3,179	6.77	449.01	24,41,097	11,005.28
2013	242	December 30, 2013	51,242	115.99	99	June 27, 2013	12,216	12.32	132.59	16,03,327	2,211.75
2012	135.35	December 26, 2012	19,777	26.26	27.25	January 6, 2012	74	0.02	58.47	25,89,711	2,152.57

Source: www.bseindia.com
** Average of the daily closing price*
(1) High of Intraday Highs. In case the price is the same on 2 dates then the date on which the volume is higher has been considered.

(2) Low of Intraday Lows. In case the price is the same on 2 dates then the date on which the volume is higher has been considered.

(ii) The following tables set forth the reported high, low, the number of Equity Shares traded and the total trading volume on the dates on which such high and low prices were recorded and the average closing prices of the Equity Shares, on the NSE and the BSE during the last six months:

NSE

Month, Year	High (₹)(1)	Date of high	Number of Equity Shares traded on date of high	Volume on date of high (₹ in Lacs)	Low (₹)(2)	Date of Low	Number of Equity Shares traded on date of low	Volume on date of low (₹ in Lacs)	Average price for the Month * (₹)	Total Number of Equity Shares traded	Total Volume (₹ In Lacs)
February, 2015	939.4	February 18, 2015	8,495	77.94	740	February 2, 2015	31,453	264.54	862.31	2,21,492	1,900.01
January,2015	1038	January 27, 2015	26,603	268.21	750	January 1, 2015	6,626	50.19	926.37	6,95,976	6,382.05
December, 2014	817.7	December 1, 2014	44,710	349.27	710.5	December 17, 2014	12,119	88.15	759.68	3,14,971	2,414.85
November, 2014	831	November 28, 2014	2,31,755	1,855.54	685	November 25, 2014	16,185	113.15	720.00	5,30,010	4,028.94
October, 2014	746	October 30, 2014	2,39,703	1,725.33	572.2	October 1, 2014	7,950	46.44	621.20	7,30,302	5,065.50
September, 2014	669	September 22, 2014	72,274	464.80	520	September 5, 2014	12,321	65.69	575.68	4,95,773	2,912.93

Source: www.nseindia.com

** Average of the daily closing price*
(1) High of Intraday Highs. In case the price is the same on 2 dates then the date on which the volume is higher has been considered.
(2) Low of Intraday Lows. In case the price is the same on 2 dates then the date on which the volume is higher has been considered.

BSE

Month, Year	High (₹)(1)	Date of high	Number of Equity Shares traded on date of high	Volume on date of high (₹ in Lacs)	Low (₹)(2)	Date of Low	Number of Equity Shares traded on date of low	Volume on date of low (₹ in Lacs)	Average price for the Month* (₹)	Total Number of Equity Shares traded	Total Volume (₹ In Lacs)
February, 2015	936	February 18, 2015	2979	27.30	790	February 6, 2015	18244	147.53	860.94	104061	885.40
January, 2015	1039	January 27, 2015	5,197	52.56	756.1	January 1, 2015	1,692	12.83	925.94	2,16,400	1,991.14

Month, Year	High (₹)(1)	Date of high	Number of Equity Shares traded on date of high	Volume on date of high (₹ in Lacs)	Low (₹)(2)	Date of Low	Number of Equity Shares traded on date of low	Volume on date of low (₹ in Lacs)	Average price for the Month* (₹)	Total Number of Equity Shares traded	Total Volume (₹ In Lacs)
December, 2014	816.9	December 3, 2014	6,576	52.76	710.05	December 17, 2014	4,327	31.45	760.10	88,784	681.15
November, 2014	830.55	November 28, 2014	55,645	443.66	690.1	November 25, 2014	2,874	20.10	719.79	1,57,546	1,186.67
October, 2014	750	October 30, 2014	64,804	467.56	572.6	October 1, 2014	10,300	59.69	620.83	2,22,367	1,513.63
September, 2014	667.5	September 22, 2014	29,947	192.79	521.65	September 8, 2014	27,107	158.09	575.41	1,77,317	1,042.58

Source: www.bseindia.com
** Average of the daily closing price*
(1) High of Intraday Highs. In case the price is the same on 2 dates then the date on which the volume is higher has been considered.
(2) Low of Intraday Lows. In case the price is the same on 2 dates then the date on which the volume is higher has been considered.

(iii) The following table sets forth the market price on the Stock Exchanges on January 30, 2015, the first working day following the approval of the Board of Directors for the Issue:

Date	NSE				BSE			
January 30, 2015	**Open**	**High**	**Low**	**Close**	**Open**	**High**	**Low**	**Close**
Price of the Equity Shares (₹)	885.2	920	871.1	895.55	908	918.65	921	936
Volume (number of Equity Shares)	42,072				13,497			

Source: www.nseindia.com, www.bseindia.com

USE OF PROCEEDS

The gross proceeds from the Issue will be ₹ 15,000 Lacs. The net proceeds from the Issue after deducting fees, commissions and expenses of approximately ₹ 14,775 Lacs, will be approximately ₹ 225 Lacs (**"Net Proceeds**").

As part of our growth strategy, we will continue to selectively consider acquisitions that would expand the scope of our existing services, add new customers or allow us to enter new geographic markets. We keep on exploring options for such acquisitions and strategic investment opportunities. Subject to compliance with applicable laws and regulations, our Company intends to use the net proceeds of the Issue primarily for 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.

In accordance with the decision of our Company's Board, our Company's management will have the flexibility in deploying the net proceeds received by our Company from the Issue. Pending authorization of the Net Proceeds for the purposes described above, our Company intends to temporarily invest the funds in bank deposits, high quality interest/dividend bearing liquid instruments, including money market mutual funds, as approved by the Board in accordance with the investment policy and applicable laws.

Our Promoters or Directors are not making any contribution either as part of the Issue or separately in furtherance of the Objects of the Issue.

CAPITALIZATION STATEMENTS

Our authorized capital is ₹ 20,00,00,000 divided into 2,00,00,000 Equity Shares of ₹ 10 each. As of the date of the Preliminary Placement Document 1,68,22,668 Equity Shares of ₹ 10 each were paid up.

The following table sets forth our Company's capitalisation and total debt, on a standalone basis, as on December 31, 2014, and as adjusted to give effect to the Issue. This table should be read with the chapter titled *"**Management's discussion and analysis of financial condition and results of operations**"* and other financial information contained in the chapter titled ***Financial Statements***" beginning on pages 57 and 156, respectively.

(₹ In Lacs)

Particulars	As of December 31, 2014	
	Actual (unaudited)	**As Adjusted for the Issue**
Indebtedness		
Long term Borrowings	NIL	NIL
Short Term Borrowing	362.69	362.69
Total Indebtedness (A)	**362.69**	**362.69**
Shareholders' Funds		
Equity Share Capital	1,682.27	1,861.69
Reserves and Surplus [1]	9,753.07	24,348.64
Total Shareholders' Funds (B)	**11,435.34**	**26,210.33**
Total Capitalisation (A) + (B)	**11,798.03**	**26,573.02**

[1] *Reserves and surplus is net of adjustments for estimated issue expenses of approximately ₹ 225.*

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Placement Document is set forth below:

No.	Particulars	Amount *(₹ in Lacs)* Aggregate nominal value
A.	**Authorised Share Capital**	
	2,00,00,000 Equity Shares of ₹ 10 each	2,000.00
B.	**Issued, Subscribed and Paid-Up Share Capital before the Issue**	
	1,68,22,668 Equity Shares of ₹ 10 each	1682.27
C.	**Present Issue in terms of this Placement Document**[(a)]	
	Issue of 17,94,258 Equity Shares of ₹ 10 each	179.43
D.	**Issued, Subscribed and Paid-Up Share Capital after the Issue**	
	1,86,16,926 Equity Shares of ₹ 10 each	1,861.69
E.	**Securities Premium Account**	
	Before the Issue	NIL
	After the Issue[(b)]	14,757.05

Notes:

(a) The Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on January 29, 2015 and by the shareholders of our Company vide a special resolution passed pursuant to Sections 42 and 62(1)(c) of the Companies Act through postal ballot results announced on March 13, 2015.

(b) The Securities Premium Account after the Issue is calculated net of adjustments for estimated issue expenses of approximately ₹ 225.

NOTES TO THE CAPITAL STRUCTURE

1. **History of Equity Share Capital of our Company**

Date of Allotment / Fully Paid-up	No. of Equity Shares allotted	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment
On incorporation	2	10	10.00	Cash	Subscription to Memorandum of Association
May 29, 1971	4,24,998	10	–	Non cash	Allotment pursuant to scheme of amalgamation[(1)]
May 15, 1972	250	10	–	Non cash	Conversion of loan stock
July 13, 1973	50	10	–	Non cash	Conversion of loan stock
March 23, 1975	250	10	–	Non cash	Conversion of loan stock
March 29, 1976	510	10	–	Non cash	Conversion of loan stock
February 1, 1977	350	10	–	Non cash	Conversion of loan stock
March 21, 1978	43,850	10	–	Non cash	Conversion of loan stock
March 31, 1989	4,70,260	10	–	Non cash	Issue of Bonus Shares
January 19, 1993	9,40,520	10	–	Non cash	Issue of Bonus Shares
January 28, 1995	9,40,520	10	–	Non cash	Issue of Bonus Shares
February 4, 1999	56,43,120	10	–	Non cash	Issue of Bonus Shares
January 25, 2002	84,64,680	10	–	Non cash	Issue of Bonus Shares
March 28, 2003	(1,09,506)	10	–	–	Cancellation of shares [(2)]
July 28, 2005	2,814	10	–	Non cash	Allotment pursuant to scheme of amalgamation[(3)]

(1) *Allotment of shares as per scheme of amalgamation between Macmillan (Holdings) Limited and our Company approved by the High Court of Madras by its order dated April 2, 1971.*
(2) *Cancellation of shares as per scheme of amalgamation between Scientific Books Madras Private Limited, Scientific Books Bombay Private Limited, Scientific Books Calcutta Private Limited, Scientific Books Delhi Private Limited, Scientific Data Bank Services Private Limited and our Company approved by the High Court of Madras by its order dated December 7, 2002.*
(3) *Allotment of shares as per scheme of amalgamation between Brigade Marketing Company Limited and our Company approved by the High Court of Madras by its order dated June 1, 2005.*

2. **Equity Shares issued for consideration other than cash by our Company**

In the last one year preceding the date of the Preliminary Placement Documents, our Company has not issued any Equity Shares for consideration other than cash.

DIVIDEND POLICY

Under the Companies Act, an Indian company may pay dividends only upon a recommendation by its board of directors and approval by a majority of its shareholders at the annual general meeting. As permitted by the Articles of Association of our Company, the Board declares and pays interim dividends. Under the Companies Act, a company may pay dividends only out of its profits in the year in which the dividend is declared or out of the undistributed profits or reserves of prior fiscal years or out of both.

The following table sets forth details regarding the dividend declared and paid by our Company on the Equity shares for Fiscal Years 2014, 2013 and 2012:

Particulars	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012
Face Value of Equity Shares (₹ per share)	10.00	10.00	10.00
Dividend on Equity Shares (₹ per share)	17.00	10.00	4.00
Total Dividend on Equity Shares (₹ in Lacs)	2,859.85	1,682.27	672.90
Dividend Distribution Tax (₹ in Lacs)	486.03	272.91	109.16
Dividend Payout Ratio (%)*	77.01	61.30	71.94

** Dividend per share divided by earning per share*

The Board of our Company has declared and paid ₹ 22 per Equity Share as an interim dividend for the Fiscal Year 2015.

Future Dividends

Our Company has no formal policy relating to payment of dividends. The amounts paid or not paid as dividends in the past are not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. The form, frequency and amount of future dividends will depend on our revenues, cash flows, financial condition (including capital position) and other factors.

For a summary of certain Indian tax consequences of dividend distributions to shareholders, see the chapter titled ***"Taxation***" beginning on page 141.

MANAGEMENT"S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations is based upon, and should be read in conjunction with, our audited financial statements for the Fiscal Years 2012, 2013 and audited consolidated financial statement for the Fiscal Year 2014 ("Audited Financial Statements"), including the schedules, annexures and notes thereto included in the chapter titled "**Financial Statements**" beginning on page 156. Our Audited Financial Statements are prepared in accordance with Indian GAAP. Indian GAAP differs in certain material respects from IFRS and U.S. GAAP.*

Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the twelve months period ended March 31 of that year, except that all references to the fiscal year 2012 is to the fifteen (15) months period ended March 31, 2012.

*Some of the information contained in the following discussion, including information with respect to our Company's plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled "**Forward-Looking Statements**" beginning on page 13 for a discussion of the risks and uncertainties related to those statements and also the chapter titled "**Risk Factors**" beginning on page 36 for a discussion of certain factors that may affect our Company's business, results of operations or financial condition. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

Overview

Our Company in engaged in the business of providing content creation, production, transformation, and technology services to global academic, scientific, and educational publishers, with a team of over 2,800 employees based at offices at Bengaluru, Chennai, Delhi, Gurgaon, Noida, and Dehradun in India and offices at Portland (Oregon) and London (United Kingdom). Further, we operate through our Subsidiary having offices at Orlando (Florida), Durham (North Carolina) and Champaign (Illinois) in USA.

Established as an Indian subsidiary of Macmillan (Holdings) Limited in the year 1970, we have evolved over our forty-five years history to become one of the experienced players in the publishing services outsourcing space. The equity shares of our Company are listed on BSE and NSE. In the year October, 2011, our Company was acquired by ADI BPO Services Limited from Macmillan (Holdings) Limited in October, 2011. Nishith Arora is the largest shareholder and promoter of ADI BPO Services Limited. Our experienced and talented team has responded favourably to the new management and direction. The core management team including our Chairman and Managing Director, Executive Directors and Senior Management are working in tandem to keep the growth momentum going by leveraging on our Company‘s wide range of services, technology capabilities, and cost competitiveness. Our Chairman and Managing Director, Nishith Arora, an IIM Ahmedabad alumnus, leveraged his domain experience to turnaround the loss making books division. The equity shares of our Company are listed on BSE and NSE.

We incorporated our wholly owned subsidiary, MPS North America LLC at USA, in May 2013. MPS North America LLC has made two acquisitions in the education publishing services space in the last two years. We acquired the business of the Orlando-based Element LLC in July, 2013 which has added to our range of services for school education publishers in the USA. We acquired the business of New York based Electronic Publishing Services Inc. in October, 2014, which has further added content creation and other capabilities in the higher education space.

In addition to the traditional content-processing services, our Company has a strong suite of SAAS (software as a service) offerings including workflow management (MPSTrak), editing and automated composition (MPS DigiCore), and business analytics (MPS Insight). These software services help MPS add more publishing customers beyond its traditional customer base of large global publishers such as Macmillan, Elsevier, Cengage Learning, McGraw-Hill and Walters-Kluwer. Our Company has a long track record on working in a number of different mark-up languages including HTML and XML.

We are committed to provide quality products to our customers and in this relation, we have also received various quality accreditations including ISO 9001:2008 Quality Management System for providing full service

prepress and content transformation services for publishers of periodicals and ISO/TEC 27001:2005 information security system for providing publishing solution worldwide to the publishers, including support departments.

Factors affecting our results of operations:

Ban or government control on outsourcing of work for countries where our customers are located

Our Company derives majority of its revenue from customers located in USA and UK. Most of our customers are in business of publishing or providing publishing solutions and outsource some of their work to our Company. Offshore outsourcing has been the subject of intense political debate, and has come under increased government scrutiny within the countries where our end markets are located due to its perceived association with loss of jobs in these countries. Several governments have implemented or are actively considering implementing restrictions on outsourcing by government entities to offshore IT services providers. Any changes in these countries in relation to their existing laws or the enactment of new legislation restricting offshore outsourcing, particularly by private companies, may adversely impact our business, financial condition and results of operations. Further any regulatory restriction or sanction from the USA and UK in relation to the outsourcing may affect our business and operation. If any ban or control is put on outsourcing by certain countries our results of operation would be materially affected.

Our ability to anticipate and respond to customer requirements

Our Company is in the service industry and is driven by the quality of services provided by us and meeting the expectations of our customers. Our Company strives to keep up with the evolving requirements of its customers to enhance their existing business and level of customer service. Our customers require us to devise and implement solutions, to achieve better efficiencies in their business. This requires a considerable understanding of our customers‘ business, the domain and the ability to devise solutions, along with the technology to implement these solutions. Our Company may be unable to anticipate and respond to the needs and requirements of our existing and prospective customers and our business and financial operations may get adversely affected.

Currency fluctuations

Majority of our revenue are in foreign currencies like USD, GBP and Euro, whereas majority expenses are in Indian Rupee. Hence, any fluctuation in the Indian Rupees against any of these foreign currencies could affect our competitiveness, profits and results of operation.

Foreign Exchange gain/loss to the Statement of Profit and Loss for the Fiscal 2013 and Fiscal 2014 were loss of ₹ 129.71 Lacs and loss of ₹ 319.32 Lacs, respectively, which represented loss of 0.77 per cent and loss of 1.57 per cent of our total revenues, respectively. To manage our foreign exchange exposure, we may or may not enter into various derivative contracts. For details of the foreign currency exposures of our Company that are not hedged as of March 31, 2014, please refer to ***–Financial Statements***" beginning on page 156. However, there is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures in full, if at all, at all times.

The exchange rate between the Indian Rupee, the USD and GBP has been volatile in recent years and may fluctuate in the future. Therefore, changes in the exchange rate between the Indian Rupee, USD and GBP may have a material adverse effect on our revenues, other income, cost of services, operating costs and net income, which may in turn have a negative impact on our business, operating results and financial condition.

Customer"s retention and addition

Our Company derives a significant portion of revenues from our top ten customers. For Fiscal 2013, Fiscal 2014 and for nine months period ending on December 31, 2014, our top ten customers accounted for 72.13%, 71.88% and 78%, respectively, of our revenues. Though these customers appear as one of our top 10 customers we either have continued business from them over the years or have multiple projects undertaken at any point of time.

Nevertheless, our clientele is broad-based, for instance we served over 50 customer accounts in the Fiscal 2014, and our Company continues to enhance its synergies exploring opportunities through its Subsidiary. Further, though our revenues appear concentrated amongst our top ten customers, these top ten customers have been

varying each year depending on the volume of business with them. Further, since there is significant competition for the services provided by our Company and our Company does not provide exclusive service to its major customers, the level of revenues from our major customers could vary from period to period. Our major customers typically retain us under master services agreements that do not provide for specific amounts of guaranteed business. These agreements, as well as the project assignments received under these master services agreements, are typically terminable by our customers upon short notice and without significant penalties.

Salary increases in India

Our most significant costs are the salaries and related benefits of our operations staff and other employees. As on December 31, 2014, total numbers of employees were 2,862 compared to 2,766 as on December 31, 2013. Employee cost for nine months period ended December 2014 increased by 10.6% to ₹ 6,997 Lacs compared to ₹ 6,324 Lacs for nine months period ended December 2013. Salary as percentage of total revenue for nine months period ended December 31, 2014 and December 31, 2013 was 40.5% and 42.2%, respectively. Salaries in India have historically been significantly lower than salaries in the USA and Europe for comparably skilled professionals, which has been one of our competitive advantages. However, because of rapid economic growth in India, increased demand for services from India and increased competition for skilled employees in India, salaries for comparably skilled employees in India are increasing, which may reduce this competitive advantage.

Acquisition and Integration of Targets

Our Company has in past through its Subsidiary acquired the business of Electronic Publishing Services Inc. and Element LLC to expand our existing products and services offerings in school and higher education segment. As part of our growth strategies, our Company intend to pursue further acquisitions and / or other strategic opportunities to enhance our capabilities and continue developing industry expertise, technical expertise and geographic coverage. There can be no assurance that we will be able to successfully execute future acquisitions or efficiently manage the businesses we acquire.

Our ability to achieve the benefits we anticipate from our acquisitions will depend upon our ability to integrate the businesses of the acquired entity with our Company in an efficient and effective manner. The integration process may involve unforeseen difficulties that could require significant time and attention of our management. Further, future acquisitions and strategic alliances with third parties could subject us to risks of integration.

For significant accounting policies, please refer to chapter titled **"*Financial Statements*"** beginning on page 156.

Revenue from Operations

Our Revenue from Operations comprises of revenue from sale of services for exports and domestic sales.

Other Income

Our Other Income mainly comprises of interest income received by our Company, dividend income from current investment in mutual funds, Net gain on foreign currency transaction and translation and other non-operating income includes rental income from operating leases, liabilities /provisions no longer required written back, miscellaneous income etc.

Employee benefits expense

Our Employee benefits expense primarily comprises of salaries and wages, contribution to provident fund & other funds, and staff welfare expenses.

Other Expenses

Our Other expenses mainly comprises of outsourcing cost, power and fuel, rent including lease rentals, repair and maintenance, Communication, travelling and conveyance, legal and professional, net loss on foreign currency transactions and translation, miscellaneous expenses.

(₹ in Lacs)

Profit & Loss					
Particulars	**Nine months ended December 31, 2014**	**Growth over Nine months ended December 31, 2013**		**Nine months ended December 31, 2013**	
Financials	**Consolidated**		**% to total Revenue**	**Consolidated**	**% to total Revenue**
Revenue from operations (net)	16,893	16.39%	94.96%	14,514	96.7%
Other Income	896	83.23%	5.04%	489	3.3%
Total Revenue(A)	17,789	18.57%	100.00%	15,003	100.0%
Expenses					
Changes in inventories of work-in-process	15	-73.21%	0.08%	56	0.4%
Employee Benefits expenses	6,997	10.64%	39.33%	6,324	42.2%
Other expenses	3693	1.51%	20.76%	3,638	24.2%
Total Expenses (B)	**10,705**	6.86%	60.18%	**10,018**	66.8%
EBITDA (A-B)	**7,084**	42.11%	39.82%	**4,985**	33.2%
Depreciation and amortisation expense	429	8.06%	2.41%	397	2.6%
EBIT	**6,655**	45.05%	37.41%	**4,588**	30.6%
Finance Costs	5	-86.49%	0.03%	37	0.2%
PBT	**6,650**	46.12%	37.38%	**4,551**	30.3%
Exceptional Items	772		4.34%	-	0.0%
Tax	2,544	54.93%	14.30%	1,642	10.9%
PAT	**4,878**	67.69%	27.42%	**2,909**	19.4%
EPS	29.00	67.7%		17.29	

Nine months period ended December 31, 2014 vs Nine months period ended December 31, 2013

The Financials of nine months period ended December 31, 2014 and December 31, 2013 are not strictly comparable on account of acquisition of the business of the Orlando-based Element LLC in July, 2013 and the business of New York based Electronic Publishing Services Inc. in October, 2014.

Revenue from operations

Revenue from operations (–**Revenue**") had increased by 16.4% from ₹ 14,514 Lacs for nine months ended December 31, 2013 to ₹ 16,893 Lacs for nine months period ended December 31, 2014. For nine months period ended December 31, 2014 in dollar terms our Revenue had increased by 15.8% as compared to Revenue for nine months period ended December 31, 2013. For nine months period ended December 31, 2014, Revenue from European customers increased to ₹ 7,014 Lacs from ₹ 6,543 Lacs showing a growth of 7.2% whereas Revenue from our USA customers increased by 28% for nine months period ended December 31, 2014 to ₹ 9,675 Lacs from ₹ 7,561 Lacs for nine months period ended December 31, 2013.

Employee cost

As on December 31, 2014, total number of employees was 2,862 as compared to 2,766 for nine months period ended December 31, 2013. Employee cost for nine months period ended December 2014 increased by 10.6% to ₹ 6,997 Lacs as compared to ₹ 6,324 Lacs for nine months period ended December 31, 2013. The increased in employee cost was on account of higher number of employees, increase in employees in foreign locations on account of acquisition of business of Electronic Publishing Services Inc in October, 2014 and increment in salaries.

Other expenses

Other expenses for the nine months period ended December 31, 2014 increased to ₹ 3,693 Lacs from ₹ 3,638 Lacs for the nine months period ended December 31, 2013. Other expenses as percentage of Revenue for nine months period ended December 31, 2014 has increased marginally by 1.51% as compared to nine months ended December 31, 2013.

EBITDA

EBITDA for nine months period ended December 31, 2014 was ₹ 7,084 Lacs showing a growth of 42.1% over nine months period ended December 31, 2013 from ₹ 4,985 Lacs. The EBITDA margins have improved by 662 bps to 39.82% during nine months period ended December 31, 2014 from 33.20% during nine months period ended December 31, 2013.

Depreciation

Depreciation for nine months period ended December 31, 2014 was ₹ 429 Lacs as compared to ₹ 397 Lacs for nine months period ended December 31, 2013. Increase in depreciation was on account of revision in policy of providing depreciation on fixed assets effective April 1, 2014. Depreciation is now provided on Straight Line method (SLM) for all the fixed assets as against the policy of providing on Written Down Value (WDV) basis for some fixed assets and Straight Line basis for others.

PBT

For nine months period ended December 31, 2014, the PBT increased to ₹ 6,650 Lacs from ₹ 4,551 Lacs for nine months period ended December 31, 2013 showing a growth of 46.12%. PBT margin for the nine months period ended December 31, 2014 is 37.38% from 30.03 % for nine months period ended December 31, 2013 on account of factors mentioned above.

PAT

PAT increased to ₹ 4,878 Lacs for nine months period ended December 31, 2014 from ₹ 2,909 Lacs for nine months period ended December 31, 2013, showing a growth of 67.7%. The increase in PAT also includes exceptional items, net of deferred tax amounting to ₹ 510 Lacs due to changes in depreciation policy effective from April 1, 2014. Our PAT margin improved to 27.42% for nine months period ended December 31, 2014 from 19.4% for nine months period ended December 31, 2013 on account of improved performance and exceptional item.

(₹ in Lacs)

Profit & Loss								
Particulars	**Fiscal 2014**			**Fiscal 2013**			**Fiscal 2012**	
	Consolidated	**y-o-y**	**% to total Revenue**	**Standalone#**	**y-o-y**	**% to total Revenue**	**Standalone#**	**% to total Revenue**
Revenue from operations (net)	19,728.49	20.3%	96.7%	16,399.59	-14.1%	97.1%	19,100.79	96.6%
Other Income	666.60	33.9%	3.3%	497.80	-26.0%	2.9%	672.26	3.4%
Total Revenue (A)	20,395.09	20.7%	100.0%	16,897.39	-14.5%	100.0%	19,773.05	100.0%
Expenses								
Changes in inventories of work-in-process	106.76	201.6%	0.5%	35.40	-82.3%	0.2%	199.71	1.0%

Employee Benefits expenses	8,468.60	9.8%	41.5%	7,712.43	-27.8%	45.6%	10,686.56	54.0%
Other expenses	4,857.12	11.4%	23.8%	4,360.01	-30.1%	25.8%	6,233.17	31.5%
Total Expenses (B)	**13,432.48**	10.9%	65.9%	**12,107.84**	-29.3%	71.7%	**17,119.44**	86.6%
EBITDA (A-B)	**6,962.61**	45.4%	34.1%	**4,789.55**	80.5%	28.3%	**2,653.61**	13.4%
Depreciation and amortisation expense	528.78	-28.2%	2.6%	736.17	-31.1%	4.4%	1,068.10	5.4%
EBIT	**6,433.83**	58.7%	31.5%	**4,053.38**	155.7%	24.0%	**1,585.51**	8.0%
Finance Costs	38.43	-34.6%	0.2%	58.77	-54.8%	0.3%	129.99	0.7%
PBT	**6,395.40**	60.1%	31.4%	**3,994.61**	174.4%	23.6%	**1,455.52**	7.4%
Exceptional Items	-		0.0%	-		0.0%	-	0.0%
Tax	2,181.00	170.7%	10.7%	805.59	118.7%	4.8%	368.39	1.9%
PAT	**4,214.40**	32.2%	20.7%	**3,189.02**	193.3%	18.9%	**1,087.13**	5.5%
EPS	25.05	32.1%		18.96	193.5%		6.46	
Balance Sheet								
Trade payables	1,577.89	-19.0%		1,948.32	24.5%		1,564.84	
Gross Block (Fixed assets)	8,068.88	4.2%		7,746.22	-4.0%		8,071.78	
Long-term loans and advances	2,081.92	15.8%		1798.41	22.8%		1,464.96	
Current investments	1,754.07	-1.1%		1773.12	45.3%		1,220.19	
Trade receivables	3,215.38	7.9%		2980.08	23%		2,423.53	
Cash Flow								
Cash Flow from Operating Activities	3767.93	19.4%		3,155.66	364.1%		679.97	
Cash Flow from Investing Activities	(497.44)	-32.9%		(741.28)	44.9%		(1,344.13)	
Cash Flow	(3,372.05)	-39.6%		(2,415.08)	-		(940.96)	

from Financing Activities				156.7 %	
Net Increase / (Decrease) in cash & Cash equivalents	(101.56)	-14408.6 %	(0.70)	100.0 %	(1,605.12)
Opening Balance	1,109.22	24.4%	891.31	-65.1%	2,551.53
Unrealised exchange Gain/(loss) of prev. Period	(2.92)	-101.4%	215.69	34.3%	160.59
Adjusted Opening Balance	1,106.30	-0.1%	1,107.00	-59.2%	2,712.12
Closing Balance	1,161.33	4.7%	1,109.22	24.4%	891.31
Unrealised exchange Gain/(loss) of Current year	(115.62)	-3859.6%	(2.92)	-101.4 %	215.69
Adjusted Closing Balance	1,045.71	-5.5%	1,106.30	-0.1%	1,107.00
Cash & Bank Balance as per Balance Sheet	1,161.49	4.6%	1,110.39	24.3%	893.10
Unpaid Dividend	0.16	-86.3%	1.17	-34.6%	1.79
Closing balance	**1,161.33**	4.7%	**1,109.22**	24.4%	**891.31**

 # No subsidiary during this period

The revised Schedule VI became effective from April 1, 2011 for the preparation of the Financial Statements. Figures for March, 2012 and March, 2013 have been regrouped/re-classified, wherever necessary, to correspond with the March 2013 and March, 2014 classification, respectively.

Fiscal 2014 vs Fiscal 2013

The Fiscal 2014 is not comparable with Fiscal 2013 on account of business acquisition of the Orlando-based Element LLC in July, 2013.

Revenue from operations

Our Revenue from operations (–**Revenue**") increased by 20.3% to ₹ 19,728.49 Lacs in Fiscal 2014 from ₹ 16,399.59 Lacs in Fiscal 2013, mainly on account of increase in volume of business by our top 10 customers. In dollars terms our Revenue grew by 13.7%. Revenue from European customers increased to ₹ 8,850.28 Lacs in Fiscal 2014 from ₹ 7,527.62 Lacs in Fiscal 2013 showing a growth of 17.6% whereas Revenue from our USA customers increased by 24.9% to ₹ 10,347.03 Lacs in Fiscal 2014 from ₹ 8,284.89 Lacs in Fiscal 2013. For Fiscal 2014, Revenue from Books and Journals divisions grew to ₹ 12,519 Lacs from ₹ 9,245 Lacs in Fiscal 2013. Revenue from Books and Journals division for Fiscal 2014 was 63.46% and for Fiscal 2013 was 56.40%.

Employee cost

As on March 31, 2014, our total number of employees was increased to 2,535 from 2,331 as on March 31, 2013. Our employee cost increased by 9.8% to ₹ 8,468.60 Lacs in Fiscal 2014 from ₹ 7,712.43 Lacs in Fiscal 2013, primarily on account of addition in majority of employees at Dehradun facility.

Other expenses

Other expenses increased by 11.4% to ₹ 4,857.12 Lacs in Fiscal 2014 to ₹ 4,360.01 Lacs in Fiscal 2013 mainly on account of foreign currency loss of ₹ 319.32 Lacs in Fiscal 2014 and higher outsourcing cost. However other expenses as a percentage of revenue for Fiscal 2014 reduced by 200 bps to 23.8% from 25.8% for Fiscal 2013 on account of cost rationalization.

EBIDTA

EBITDA for Fiscal 2014 increased by 45.4% to ₹ 6,962.61 Lacs from ₹ 4,789.55 Lacs in Fiscal 2013, primarily on account of factors mentioned above. EBITDA margin increased to 34.1% in Fiscal 2014 from 28.3% in Fiscal 2013 showing improvement of 580 bps.

Depreciation

Depreciation expenses reduced by 28.2% to ₹ 528.78 Lacs for Fiscal 2014 from ₹ 736.17 Lacs for Fiscal 2013. The net block of fixed assets as at Fiscal 2014 was ₹ 2,388.83 Lacs (including intangible assets of ₹ 627.26 Lacs) as compared to net block of fixed assets as at Fiscal 2013 of ₹ 2,176.57 Lacs (including intangible assets of ₹ 275.80 Lacs).

PBT

PBT increased by 60.1% to ₹ 6,395.40 Lacs in Fiscal 2014 from ₹ 3,994.61 Lacs in Fiscal 2013 on account of factors mentioned above. PBT margin for Fiscal 2014 was 31.4% which was improved from 23.6% in Fiscal 2013.

PAT

PAT increased by 32.2% to ₹ 4,214.40 Lacs for Fiscal 2014 from ₹ 3,189.02 Lacs for Fiscal 2013 on account of factors mentioned above. PAT margin improved to 20.7% in Fiscal 2014 from 18.9% in Fiscal 2013, showing an improvement of 180 bps.

Fiscal 2013 v Fiscal 2012

Fiscal 2013 is not strictly comparable with Fiscal 2012 which is for 15 months period. Our Company till Fiscal 2010 was following calendar year for its financials.

Revenue from operations

For Fiscal 2013, Revenue was ₹ 16,399.59 Lacs of which 50.52% came from the customers based in USA and 45.90%came from customers based in Europe. For Fiscal 2012, Revenue from operation (―Revenue") was ₹ 19,100.79 Lacs of which 51.23 % came from the customers based in USA and 45.01% came from customers based in Europe. For Fiscal 2013, Revenue from Books and Journals division was ₹ 9,245 Lacs which was 56.40% of our Revenue. For Fiscal 2013, the top ten customers contributed 71.91% of our Revenue as compared to 71.79% in Fiscal 2012

Employee cost

For Fiscal 2013 and Fiscal 2012, our Company had 2,331 and 2,143 employees, respectively. For Fiscal 2013, employee cost was ₹ 7,712.43 Lacs which represented 45.6% of Revenue. For Fiscal 2012, our employee cost was ₹ 10,686.56 Lacs which represented 54.05% of Revenue.

Other expenses

For Fiscal 2013, other expenses were ₹ 4,360.01 Lacs which represented 25.8% of Revenue as compared to ₹ 6,233.17 Lacs which represented 31.5% of Revenue in Fiscal 2012.

EBIDTA

For Fiscal 2013, EBIDTA was ₹ 4,789.55 Lacs as compared to ₹ 2,653.61 Lacs in Fiscal 2012. EBIDTA margin for Fiscal 2013 was 28.3% and for Fiscal 2012 was 13.4%.

PBT

For Fiscal 2013, PBT was ₹ 3,994.61 Lacs and for Fiscal 2012, PBT was ₹ 1,455.52 Lacs. PBT margin for Fiscal 2013 was 23.6% and Fiscal 2012 was 7.4%.

PAT

PAT for Fiscal 2013 was ₹ 3,189.02 and for Fiscal Lacs 2012 was ₹ 1,087.13 Lacs. PAT margin for Fiscal 2013 was 18.9% and for Fiscal 2012 was 5.5%.

Cash Flow

For Fiscal 2014, net cash generated from operating activities was ₹ 3,767.93 Lacs mainly on account of higher profits, due to increase in working capital and tax payments.

For Fiscal 2013, net cash generated from operating activities was ₹ 3,155.66 Lacs mainly on account of profits and tax payment.

For Fiscal 2012, net cash generated from operating activities was ₹ 679.97 Lacs mainly on account of decrease in trade payables.

For Fiscal 2014, net cash used in the investing activity was ₹ 497.44 Lacs comprising of a sum of ₹ 416.63 Lacs for acquisition of business of the Orlando-based Element LLC. For Fiscal 2013, net cash used in the investing activity was ₹ 741.28 Lacs comprising of a sum of ₹ 552.93 Lacs for mutual fund investments. For Fiscal 2012, net cash used in the investing activity was ₹ 1,344.13 Lacs comprising of a sum of ₹ 1220.19 Lacs for mutual fund investments.

For Fiscal 2014, net cash used in Financing activities was ₹ 3,372.05 Lacs, for Fiscal 2013, net cash used in Financing activities was ₹ 2,415.08 Lacs and for Fiscal 2012, net cash used in Financing activities was ₹ 940.96 Lacs mainly on account of dividend payment and dividend distribution tax.

For Fiscal 2014, the dividend per share was ₹ 17 and for considering closing prices as on March 31, 2014 the dividend yield was 4.68%. For Fiscal 2013, the dividend per share was ₹ 10 and for considering closing prices as on March 31, 2013 the dividend yield was 7.96%. For Fiscal 2012, the dividend per share was ₹ 4 and for considering closing prices as on March 31, 2012 the dividend yield was 9.18%.

Interest Coverage Ratio

(₹ in Lacs)

		Fiscal 2014	Fiscal 2013	Fiscal 2012
A	Profit / (Loss) after Tax	4,214.40	3,189.02	1,087.13
B	Depreciation / Amortisation	528.78	736.17	1,068.10
C	Cash profits (A+B)	4,743.18	3,925.19	2,155.23
D	Finance costs	38.43	58.77	129.99
E= (C+D)/D	Interest coverage ratio	124.42	67.79	17.58

Summary of reservations or qualification or adverse remarks in the auditors‟ report in the last five Financial Years immediately preceding the year of filing the Preliminary Placement Document and of their impact on the financial statements and financial position of our Company and the correct steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remark

There are no reservations or qualification or adverse remarks in the auditors‘ report in the last five Financial Years immediately preceding the year of filing the Preliminary Placement Document, except the following attention drawn by the Statutory Auditors in their auditors‘ report for the Financial Year 2009 and 2010 as detailed below:

Particulars	Action taken
The provisions for revision in the remuneration of Managing Director of the Company for the year ended December 31, 2009 is subject to approval of the Central Government to comply with Section 309 read with Schedule XIII of the Companies Act, 1956	Central Government approval was received on August 12, 2010.
The provision for bonus amounting to Rs. 13 lacs to the Managing Director of the Company for the year ended December 31, 2010 is subject to approval of the Central Government to comply with Section 309 read with Schedule XIII of the Companies Act, 1956.	Central Government approval was received on July 19, 2011.

Change in Accounting Policies during the last three years and their effect on the profits and the reserves of our Company

For significant accounting policies, please refer to chapter titled **"*Financial Statements*"** beginning on page 156.

There is no change in significant accounting policies during the last three years. However, during Fiscal 2015, our Company changed its accounting policy of providing depreciation on fixed assets effective April 01, 2014. Depreciation is now provided on Straight Line basis for all assets as against the policy of providing on Written Down Value basis for some assets and Straight Line basis for others. As a result of these changes, the depreciation charge for the nine months ended December 31, 2014 is higher by ₹ 89 Lacs. The effects relating to periods prior to April 01, 2014 is credit of ₹ 772 Lacs which has been shown as an ―Exceptional Item" and deferred tax of ₹ 262 Lacs on this credit is included in tax expenses in the unaudited financial results for the quarter and nine months ended December 31, 2014.

Recent Developments

To our knowledge, except as otherwise disclosed in this Placement document, there is no subsequent development after the date of our financial statements contained in this Placement document which adversely affects, or is likely to affect adversely, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

INDUSTRY

The information in this section is derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. While we have exercised reasonable care in compiling and reproducing such official, industry, market and other data in this document, it has not been independently verified by us or any of our advisors, or the Book Running Lead Manager or their advisors, and should not be relied on as if it had been so verified. Accordingly, we and the BRLM or their advisors do not take any responsibility for the data, projections, forecasts, conclusions or any other information contained in this section. Certain information contained herein pertaining to prior years is presented in the form of estimates as they appear in the respective reports/ source documents. The actual data for those years may vary significantly and materially from the estimates so contained. Accordingly, investors should not place undue reliance on this information.

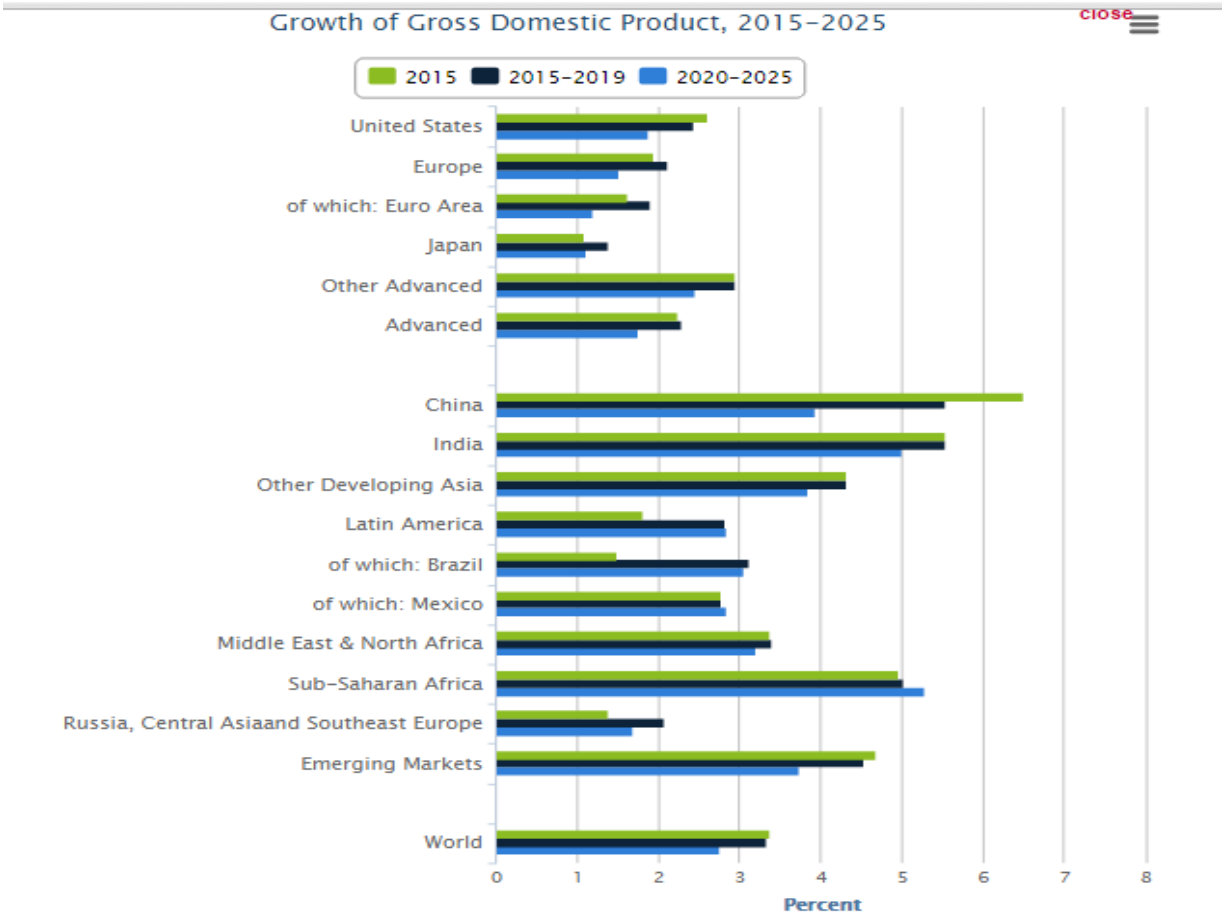
Indian Economy and GDP

As per the revised (base=2011-12) series of national accounts, the growth rate of Gross Domestic Product (GDP) at constant market prices is projected to be 7.4 percent in 2014-15 (advance estimates). The growth rate of GVA at basic prices for agriculture & allied sectors, industry sector and services sector is estimated to be 1.1 per cent, 5.9 per cent and 10.6 per cent, respectively, in 2014-15 as compared to 3.7 per cent, 4.5per cent and 9.1 per cent, respectively, in 2013-14

Source: *http://finmin.nic.in/stats_data/monthly_economic_report/2015/indjan15.pdf*

Global GDP growth

Global economic growth in 2015 will hold at a rate of 3.4 percent in 2015. The United States will continue to grow, but the expansionary phase will show signs of maturing, causing a moderation in profitability, joined by a variety of cost pressures. European economies have more scope to recover, but there are dark clouds—from slowing exports to emerging markets, especially hurting Germany‘s growth engine, and a dysfunctional policy environment to tackle deflationary pressures. China will continue its ―soft fall”, as government stimuli will have less effect and monetary policy will become tighter. Other major emerging markets will continue to grow, but growth will vary, depending on the pace of reforms. New geographies for growth, such as Africa and parts of Asia, offer opportunities to build sustainable growth models, but they also bring challenges on economic, legal, and institutional fronts. Downsides to the global outlook relate to intensifying political and economic risks; upsides relate to the ability of policy and business to invest in people, raise productivity, and rebuild trust and confidence.



Note: Projections are based on trend growth estimates, which – for the period 2015–2019 – are adjusted for remaining output gaps. Europe includes 27 members of the European Union (excluding Croatia) as well as Switzerland and Norway. Other advanced economies are Australia, Canada, Iceland, Israel, Hong Kong, South Korea, New Zealand, Singapore, and Taiwan Province of China. Southeast Europe includes Albania, Bosnia and Herzegovina, Croatia, Macedonia, Serbia and Montenegro, and Turkey.
Source: The Conference Board Global Economic Outlook 2015.

Global Business Outlook – Region wise

US: Moderately Positive

- US growth will grow at a modest 2.6 percent in 2015.
- Profitability may come under increased pressure as the business cycle matures and cost increases are imminent.
- America‘s strength in technological progress needs to help accelerate productivity.

EURO-AREA: Cautious Short-Term Optimism, But Downside Risks Accumulate

- Despite significant downside risks, the Euro Area is projected to grow at 1.6 percent in 2015, almost double that of 2014.
- Modest recovery in domestic consumption is a likely source of growth as labor markets improve.
- However, disinflation or even deflation could bring growth rates further.

ASIA-PACIFIC: Challenging In China; Mostly Positive Elsewhere

- Despite softening growth rates, the Asia-Pacific region remains the leader for global growth.
- Growth rates of China and India are converging to 5.5 per cent from 2015–2019.
- Despite short-term headwinds from global economy, Southeast Asia will strengthen to global production base.

LATIN AMERICA: Upside Potential

- Economic conditions in Latin America are unlikely to improve rapidly in 2015, with regional growth at only 1.8 per cent.
- Slowing prices for commodity and energy exports provide significant downside.
- Productivity growth should build on investment, improved business confidence, and a better educated labor force.

AFRICA: Positive, But Uncertain

- GDP growth in Africa in 2015 is projected at 4.4 percent.
- Nigeria will be the strongest performer at 6.7 percent growth in 2015, but heavily dependent on natural resources and vulnerable to global demand.
- A positive growth outlook for Africa is strongly dependent on improved institutional performance and better governance.

Source: *https://www.conference-board.org/data/globaloutlook/*

Globally English Language teaching (ELT) growth

The global English language sector is forecast to grow by 25% per annum over 2012-17. Growth in publishing exports will be affected by the changing levels of demand as the education markets expand globally and in particular the extent to which they adopt UK curricula and/or the English language as a teaching medium. It will also be affected by political and economic events elsewhere in the world, which can have noticeable impacts on publishing exports. For example, there was a substantial fall in exports to the Middle East and North Africa in 2011, most likely as a result of the Arab Spring, and demand for ELT books in Europe has been flat whilst rising elsewhere, possibly due to recessions in Southern Europe. ELT sales in particular also face increasing competition from publishers in countries such as Korea and Mexico. On the other hand, if emerging markets seek to adopt an education system similar to the UK, demand will rise. Similarly, labour market conditions can also play a role in that times of higher unemployment may increase the demand for new skills that help individuals find work, including learning English.

Source: *https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/340601/bis-13-1082-international-education-accompanying-analytical-narrative-revised.pdf*

The Book Business, Worldwide:

Country	Year	Net revenue/ million€	Market Value/ million€	Change from previous year
United States [1]	2013	19563	**27400**	0%
China [2]	2013	9173	**15342**	9%
Germany [3]	2013		**9536**	0%
Japan [4]	2013		**5409**	-2%
United Kingdom [5]	2013	4662	**3875**	0%
France [6]	2013	2639	**4401**	-3%
Italy [7]	2012		**3110**	-6%
South Korea [8]	2012		**2974**	2%

Spain [9]	2013		**2708**	-10%
Brazil [10]	2013	1645	**2239**	8%
Canada [11]	2013 (est.)	1496	**2100**	
Turkey	2012	1198	**1752**	0%
India [12]	2013 (est.)		**1680**	
Russia [13]	2013		**1582**	-3%
Netherlands [14]	2012		**1431**	
Australia [15]	2013 (est.)		**1373**	
Poland [16]	2013	646	**1025**	0%
Mexico [17]	2012	606		3%
Taiwan [18]	2013		**855**	-4%
Switzerland [19]	2012 (est.)		**828**	
Sweden [20]	2012	214	**783**	-4%
Austria [21]	2013	95	**761**	
Norway [22]	2013		**743**	3%
Indonesia [23]	2013	415		16%
Thailand [24]	2010	414	**528**	
Argentina [25]	2013	278	**477**	
South Africa [26]	2010	379	**464**	-4%
Czech Republic [27]	2012	328		ca. 5%
Malaysia [28]	2012	263		
Colombia [29]	2012	254		7%
Finland [30]	2013	254		-3%
Denmark [31]	2013	243		0%
Singapore [32]	2011	230		
New Zealand [33]	2012	73	**205**	6%
United Arab Emirates [34]	2011		**200**	
Hungary [35]	2013		**149**	
Ukraine [36]	2011		**108**	
Slovenia [37]	2013	81	**100**	-7%
Pakistan [38]	2012		**89**	
Georgia [39]	2011		**18**	

Source: *http://www.internationalpublishers.org/images/reports/2014/IPA-annual-report-2014.pdf*

Title production across countries and continents

The production of titles is distributed very unevenly between countries, in complex patterns, which indicates that only a few are in a position to export their books internationally, thereby taking advantage of globalization (this is the case notably for the United Kingdom, the United States of America, Spain and Taiwan). Another group of countries is mainly built around strong domestic production, while a third group depends largely on imports from abroad.

COUNTRY	YEAR	NewTitles + re-editions	Change on prev. Year	New titles per million inhabitants	GDPpC(PPP)
United States	2013	304912	-2%	959	$ 53.143
China	2013	444000	7%	325	$ 11.904
Germany	2013	93600	3%	1156	$ 43.332
Japan	2013	77910	-1%	613	$ 36.315
United Kingdom	2013	184000	8%	2875	$ 36.209
France	2013	66527	2%	1008	$ 36.907
Italy	2012	61100	-4%	1002	$ 34.303
Korea	2012	39767	-10%	795	$ 33.140
Spain	2013	76434	-3%	1626	$ 32.103
Brazil	2013	21085	1%	104	$ 15.034
Turkey	2012	42626	-1%	561	$ 18.975
Russia	2013	101981	-13%	699	$ 24.120
Australia	2013	28234	34%	1176	$ 43.550
Poland	2013	13410	10%	353	$ 23.275
Mexico	2012	23948	-11%	200	$ 16.463
Taiwan	2013	42118	0%	1831	$ 41.581
Austria	2013	6811		757	$ 44.168
Norway	2013	6373	-14%	1275	$ 65.461
Indonesia	2013	30000		119	$ 9.559
Thailand	2010	14000		215	$ 14.390
Argentina	2013	26387		614	$ 18.917
South Africa	2010	3653		68	$ 12.504
Czech Republic	2012	16600	1%	1509	$ 27.344
Malaysia	2012	19171	7%	639	$ 23.298
Colombia	2012	10922	3%	229	$ 12.371
Finland	2013	3965	13%	793	$ 38.251
New Zealand	2012	2394		479	$ 34.227
Hungary	2013	9202		920	$ 22.190
Ukraine (1)	2011	21500		500	$ 8.788
Slovenia	2013	3661	-36%	1831	$ 27.915
Pakistan	2012	3500		19	$ 4.699
Vietnam	2009	24589		273	$ 5.293
Georgia	2011	7736		1547	$ 7.165

(1) Only Ukrainian language

Source: *http://www.internationalpublishers.org/images/reports/2014/IPA-annual-report-2014.pdf*

The World's 20 Largest Book Publishers, 2014

Rank (2013)	Rank (2012)	Publishing Company (Group or Division)	Country	Mother Corporation Owner	Country of Mother Corporation	2013 Revenue in $M	2012 Revenue in $M
1	1	Pearson	UK	Pearson	UK	$9,330	$9,158
2	2	Reed Elsevier	UK/NL/US	Reed Elsevier	UK/NL/US	$7,288	$5,934
3	3	Thomson-Reuters	US	The Woodbridge Company Ltd.	Canada	$5,576	$5,386
4	4	Wolters Kluwer	NL	Wolters Kluwer	NL	$4,920	$4,766
5	5	Random House	Germany	Bertelsmann AG	Germany	$3,664	$3,328
6	6	Hachette Livre	France	Lagardère	France	$2,851	$2,833
7	10	Holtzbrinck	Germany	Verlagsgruppe Georg von Holtzbrinck	Germany	$2,222	$2,220
8	8	Grupo Planeta	Spain	Grupo Planeta	Spain	$2,161	$2,597

Rank (2013)	Rank (2012)	Publishing Company (Group or Division)	Country	Mother Corporation or Owner	Country of Mother Corporation	2013 Revenue in $M	2012 Revenue in $M
9	11	Cengage*	US	Apax Partners et al.	US/Canada	N/A	$1,993
10	7	McGraw-Hill Education	US	The McGraw-Hill Companies	US	$1,992	$2,292
11	9	Scholastic	US	Scholastic	US	$1,792	$2,148
12	12	Wiley	US	Wiley	US	$1,761	$1,783
13	13	De Agostini Editore*	Italy	Gruppo De Agostini	Italy	N/A	$1,724
14	22	China Publishing Group	China (PR)	Government; partly publicly listed	China (PR)	$1,499	$1,104
15	17	Houghton Mifflin Harcourt	US	Houghton Mifflin Harcourt Publishing Group Ltd.	US/Cayman Islands	$1,379	$1,286
16	19	HarperCollins	US	News Corporation	US	$1,369	$1,189
17	16	Springer Science and Business Media	Germany	EQT and GIC Investors	Sweden, Singapore	$1,301	$1,298
18	21	Oxford University Press	UK	Oxford University	UK	$1,254	$1,125
19	14	Shueisha	Japan	Hitotsubashi Group	Japan	$1,191	$1,464
20	20	Informa	UK	Informa plc	UK	$1,185	$1,126

Source:http://www.publishersweekly.com/pw/by-topic/industry-news/financial-reporting/article/63004-the-world-s-56-largest-book-publishers-2014.html

**2013 placement estimated based on 2012 revenue*

Education Publishing

Publishing's most important market sector is education, ie the production of materials for schools, colleges, universities, training courses etc. The biggest publishers in the world today are educational publishers.

Education delivery is being transformed as learning resources become available in a huge variety of forms: textbooks and open educational resources, structured and flexible, digital and print, public and commercial.

The Educational Publishers Forum, organized by the IPA in 2009, is a unique Forum that brings together professional educational (K-12) publishers from around the world. The purpose of the Forum is to share experiences regarding the evolution of learning resources, especially the application of technology and its impact on classroom pedagogy. The Forum tracks developments in both educational publishing and digital learning, and it has established links with international agencies including the European Commission, OECD, UNESCO, WIPO and the World Bank. IPA-EPF aspires to be the leading global Forum for debate about the evolution of effective learning resources.

Source: *http://www.internationalpublishers.org*

Indian book publishing industry

The Indian book publishing industry is very attractive and has a high growth potential, but is operating in an extremely competitive market, with over 16,000 largely small publishers spread across the country. With the Indian economy and the education sector booming, the industry is at a new juncture of growth and competition.

The Indian book publishing industry was estimated to have a market size of about ₹ 9000 crores and was expected to grow by 10% each year. The industry is highly fragmented and competitive in nature, with over 16,000 publishing houses and each of them having a market share not greater than 5%. Around 80,000 new titles in 24 different languages are published every year in India. The country is the 7th largest book publisher in the world and is the 3rd largest English language books market in the world after the U.S and U.K. However, it has a very low per capita expenditure per annum on books of ₹ 80 as compared to ₹ 4,000 in U.K.

The book publishing market can be segmented according to the type of books – School level, Higher education/Technical, General/Self help and Fictional/Non-Fictional - and the price point at which the players are perceived to be present in the market.

Source: *http://tejas.iimb.ac.in/articles/49.php*

Offshore outsourcing of publishing services is expanding rapidly in Asia region

The offshore outsourcing of publishing services, especially in Asia, has been a rapidly expanding market for over 20 years. And the growth has accelerated, especially over the past five years, as many innovative publishing technologies have been introduced. India is a leading player in this vertical, as well as the Philippines, where the aggregate annual growth rate has ranged between 15% and 20% over the past 15 years. Worldwide sales were estimated to be about US$1.5 billion, with annual sales of about US$1.1 billion in 2010 in India alone

Publishing outsourcing primarily includes premedia services, all of the services before distribution – such as editing, design and layout, indexing, and many others – for traditional publishing, which includes newspapers, magazines, professional and academic journals, academic textbooks, professional, trade, and consumer books, as well as corporate content development for marketing, sales, and advertising for insurance, investment, and retail companies.

Source: *http://www.the-outsourcing.com/subpage.php?pn=region&regid=2&aid=203*

Evolving world of Digital Publishing

Thinning margins and increasing cost pressures are pushing digital publishing outsourcing companies to experiment with new business models. Due to the availability of trained talent pool and the requisite infrastructure, Impact Sourcing Service Providers (ISSPs) have been able to become suitable partners to make this experiment a success. Currently more than 25% of ISSPs have started subcontracting digital publishing services and focusing on moving from low value processes to complex publishing processes. This article and the few following to this article intend to outline the potential of this vertical as a key service line for ISSPs.

In the last few years the advent of digital publications has started to dramatically change the way publishers do business. It‘s no longer just a desirable capability; it‘s a matter of survival. Different types of content can now be connected with a wide variety of user experiences (UX): Fiction can be read as digital pages of eBook readers, travel guides can connect their route description to GPS devices, and dictionaries, which provide word definitions within text when and where they‘re needed, are incorporated into electronic reading devices.

Source: *https://www.nasscomfoundation.org/get-engaged/impact-sourcing/categories/evolving-world-of-digital-publish.html*

Growing demand for eBooks

Across segments and geographies, publishers are experiencing challenges centered on costs, resources and technology that have made it necessary for them to re-invent their business models. 4 out 5 publishers now produce eBooks and its increasing 25% every year. According to the Association of American Publishers, revenue for e-books for some of the biggest categories grew by 41% in 2013. E-books currently account for around 23% of trade publishing revenues. Though the pricing models may still be in limbo but publishers are finally making real money from eBooks. 36% of publishers drive more than 10% of their revenue from eBooks and its doubling every year. Latest best seller 50 shades of grey sold 250,000 digital copies before it was picked up for print. Amazon is the most popular sale channel used by more than 65% of publishers and 31% of eBook publisher are producing enhanced eBooks to make them compatible with different types of devices.

But the industry has still lot to achieve, as 80% of publishers still produce print versions of eBooks titles and 60% of publishers still employ legacy, print-based production workflows, adding time cost to each eBook. A majority of publishers produce half of their title as eBooks and nearly half of the publishers produce more than 75% as eBooks.

Source: https://www.nasscomfoundation.org/get-engaged/impact-sourcing/categories/evolving-world-of-digital-publish.html

Indian digital publishing outsourcing market

Outsourcing in the global publishing industry is hitting a crescendo. The fourth annual eBook survey revealed that about 54% of e-book publishers rely on a third-party for the majority of e-book content conversion and production. The survey further states that about 55% of publishers continue to outsource work due to lack of internal capabilities and resources, followed by scalability (17%) as external partners can more easily scale to handle larger volumes.

Source: https://www.nasscomfoundation.org/get-engaged/impact-sourcing/categories/evolving-world-of-digital-publish.html

US Publishing Industry market

The overall US book and journal publishing industry generated $27.01 billion in net revenue for 2013, representing 2.59 billion in units (volume)

Source: http://www.publishers.org/press/138/

For 2011, BookStats estimated that trade publisher e-book revenues were $1.97 billion, comprising almost 16% of trade dollars. The e-book total was $838 million in 2010, accounting for 6.7% of trade sales. The adult fiction drove the e-book gains, more than doubling to $1.27 billion from $585 million in 2010, and comprising 31% of dollar sales within that category.

Source: http://publishingperspectives.com/2012/10/looking-at-us-e-book-statistics-and-trends/

K-12 Publishing, Ed-Tech Markets Seeing Sales Increases

The K-12 publishing and ed-tech industries are experiencing a jump in sales as an improving economy, schools' greater reliance on digital resources, and new materials for the Common Core State Standards translate into revenue boosts for many K-12 businesses.

One indicator of robust sales comes from an Association of American Publishers' analysis, which found that actual, not estimated, sales of print and digital instructional materials in schools grew 7 percent from January through October 2013, compared with the same period in the previous year. Overall, the market for K-12 instructional resources is $9 billion.

Educational software and digital content sold into the pre-K-12 market accounted for $7.97 billion in company revenues in 2011-12, a 2.7 percent increase from the last year.

Source: http://www.edweek.org/ew/articles/2014/01/22/18edmarket.h33.html

Digital and Print Sales Surging for Publishers

The school publishing industry appears to be reaping benefits from rebounding state and local budgets, increased demand for materials aligned with the common-core standards, and the continued evolution from print to digital products.

Source: http://www.edweek.org/ew/articles/2014/01/15/17brief-2.h33.html#

BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled "**Forward-Looking Statements**" beginning on page 13 for a discussion of the risks and uncertainties related to those statements and also the chapter titled "**Risk Factors**" beginning on page 36 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular Fiscal are to the twelve-months period ended March 31 of that year, except that all references to Fiscal 2012 is to the fifteen (15) months period ended March 31, 2012.*

In this section, unless the context indicates a contrary intention, any reference to "we", "our" and "us" refers to our Company and our Subsidiary, MPS North America LLC on a consolidated basis.

Overview

Our Company in engaged in the business of providing content creation, production, transformation, and technology services to global academic, scientific, and educational publishers, with a team of over 2,800 employees based at offices at Bengaluru, Chennai, Delhi, Gurgaon, Noida, and Dehradun in India and offices at Portland (Oregon) and London (United Kingdom). Further, we operate through our Subsidiary having offices at Orlando (Florida), Durham (North Carolina) and Champaign (Illinois) in USA.

Established as an Indian subsidiary of Macmillan (Holdings) Limited in the year 1970, we have evolved over our forty-five years history to become one of the experienced players in the publishing services outsourcing space. The equity shares of our Company are listed on BSE and NSE. In the year October, 2011, our Company was acquired by ADI BPO Services Limited from Macmillan (Holdings) Limited in October, 2011. Nishith Arora is the largest shareholder and promoter of ADI BPO Services Limited. Our experienced and talented team has responded favourably to the new management and direction. The core management team including our Chairman and Managing Director, Executive Directors and Senior Management are working in tandem to keep the growth momentum going by leveraging on our Company‘s wide range of services, technology capabilities, and cost competitiveness. Our Chairman and Managing Director, Nishith Arora, an IIM Ahmedabad alumnus, leveraged his domain experience to turnaround the loss making books division. The equity shares of our Company are listed on BSE and NSE.

We incorporated our wholly owned subsidiary, MPS North America LLC at USA, in May 2013. MPS North America LLC has made two acquisitions in the education publishing services space in the last two years. We acquired the business of the Orlando-based Element LLC in July, 2013 which has added to our range of services for school education publishers in the USA. We acquired the business of New York based Electronic Publishing Services Inc. in October, 2014, which has further added content creation and other capabilities in the higher education space.

In addition to the traditional content-processing services, our Company has a strong suite of SAAS (software as a service) offerings including workflow management (MPSTrak), editing and automated composition (MPS DigiCore), and business analytics (MPS Insight). These software services help MPS add more publishing customers beyond its traditional customer base of large global publishers such as Macmillan, Elsevier, Cengage Learning, McGraw-Hill and Walters-Kluwer. Our Company has a long track record on working in a number of different mark-up languages including HTML and XML.

We are committed to provide quality products to our customers and in this relation, we have also received various quality accreditations including ISO 9001:2008 Quality Management System for providing full service prepress and content transformation services for publishers of periodicals and ISO/TEC 27001:2005 information security system for providing publishing solution worldwide to the publishers, including support departments.

OUR COMPETITIVE STRENGTHS

Our Company believes that our primary competitive strengths include the following:

Significant operating experience and strong relationship with our customers for over four decades

Started as a captive unit of Macmillan (Holdings) Limited in the year 1970, we have over the years added other large global publishers as our customers. These relationships have grown from simple composition work to include broader project management and editorial relationships and beyond content to IT/technology products and services as well as order management and customer service. Over these years we have developed certain processes and tools which we believe are proprietary, although not patented**.** We believe that our experience in each of our businesses provide us with a significant competitive advantage and has helped us to become one of the preferred suppliers for the global publishers. We are engaged with publishers across publishing, IT, fulfilment, and customer service. Further, our Chairman and Managing Director, Nishith Arora and current management have experience in similar line of business with understanding of process and relationship, which helped in developing strong relationship with our customers as well as add new customers. We believe, our significant operating experience and strong relationship with our customers has helped us in getting larger orders and move higher in the value chain and improve our results of operations.

End to end cloud based publishing solution provider and development of a new platform for collaborative content processing and distribution

We have traditionally offered cloud-based data analytics services to publishers and libraries. This range of services has been expanded to include MPSTrak, a cloud-based workflow management system, as well as the MPS DigiCore platform, described above. We believe that our range of end-to-end services with proven quality, efficient delivery and attractive costs has placed us in a better position in the market. Our Company has been in the business for over four decades and over these years we have developed our ability to do entire value chain of our business from typesetting to final upload of the script. We have taken some of our in-house production tools and built a cloud-based platform called MPS DigiCore, which includes components for editing, composition, content enrichment, conversion, and distribution. We have developed MPS DigiCore, which provides end-to-end cloud-based publishing platform to our customers and addresses the need for an integrated workflow of publishers. Over the years, we have transitioned from pre publishing service vendor to strategic technology partner and MPS Digicore platform marks leapfrog progress of MPS in technology advancement. Our Company has made an application for registration of copyright under literary work for DigiEdit, DigiComp, DigiXML and MPSTrak forming part of MPS DigiCore titled as digital publishing solutions/editorial tools/automated composition platforms and is pending before the Registrar of Copyrights, New Delhi under the Copyrights Act, 1957. Besides MPS DigiCore components are being deployed for internal production, the same is also provided on selective licensing basis. MPS Digicore platform helped us in automation and improving productivity in operations and helped in improving revenue productivity per employee and operating efficiency. We believe, our ability to provide end to end solutions to our customers help us in getting repeat orders from them, further it also helps us in adding new customers and our ability to develop new platform helps us in serving our customers in more efficient manner, which helps us in getting repeat and larger orders from our customers.

Our multi-location presence

We have facilities/offices at Bengaluru, Chennai, Delhi, Dehradun, Gurgaon and Noida in India, having a capacity of over 4,000 seats. We have offices in Portland (Oregon) and London (United Kingdom). Further, our Subsidiary has offices at Orlando (Florida), Durham (North Carolina) and Champaign (Illinois) in USA. We generate majority of our revenue from customers in USA and Europe and most of their work is delivered from our Indian facilities. Our facility at Dehradun has lower employee cost compared to our other facilities in India. Dehradun facility has a total capacity of about 2,000 seats and currently, houses around 900 employees. The diverse locations and large capacity give us the flexibility to hire talent across locations to meet specific customer requirements and we are capable to scale up our operations at shorter notice without a large capex requirements. Our multi location presence helps us in executing various customer requirements efficiently, which helps us in getting repeat orders and customer‘s addition.

Our recent acquisitions

Our Company has incorporated a wholly owned subsidiary, MPS North America LLC at USA, in May 2013. MPS North America LLC has made two acquisitions in the education publishing services space in the last two years. We acquired the business of the Orlando-based Element LLC in July, 2013 which has added to our range of services for school education publishers in the USA. Element has expertise in developing turnkey solutions for print and online products and provides full-service editorial, design and production services to the education publishers (specialised in pre-K and K-12 markets). It has enhanced MPS‘s presence in US educational publishing market.

Our Company has also acquired the business of Electronic Publishing Services Inc. in October, 2014, a USA based full-service editorial, content creation, art rendering and development, design, rights and permissions, and production service provider to the Higher Education and Professional publishing markets. It has added content creation and other capabilities in the higher education space. It has brought us new capability and enhanced our service portfolio in the academic/ higher education publishing market. This acquisition has also helped us in adding one of the large publishers as our clientele. We believe that our recent acquisition helped us in providing new services to our customers and increase our reach.

Strong financial profile and performance

For the Fiscal 2012, 2013 and 2014 our EBITDA was ₹ 2,653.61 Lacs, ₹ 4,789.55 Lacs and ₹ 6,962.61 Lacs, respectively. For the Fiscal 2012, 2013 and 2014, our PAT was ₹ 1,087.13 Lacs, ₹ 3189.02 Lacs and ₹ 4,214.40 Lacs, respectively. The EBITDA margins for Fiscal 2012, 2013 and 2014 was 13.4%, 28.3% and 34.1%, respectively. PAT margin for Fiscal 2012, Fiscal 2013 and Fiscal 2014 was 5.5%, 18.9% & 20.9%, respectively. For Fiscal 2014, EBITDA has grown by 45.37% and PAT has grown by 32.2% over Fiscal 2013. For Fiscal 2012, Fiscal 2013 and Fiscal 2014, our networth was ₹ 7,030.81 Lacs, ₹ 8,264.65 Lacs and ₹ 9,172.94 Lacs, respectively. For Fiscal 2012, Fiscal 2013 and Fiscal 2014, our total debt was ₹ 583.45 Lacs, ₹ 453.19 Lacs and ₹ 364.49 Lacs, respectively. Our Cash flow from operations for the Fiscal 2012, Fiscal 2013 and Fiscal 2014 was ₹ 679.97 Lacs, ₹ 3,155.66 Lacs and ₹ 4,250.47 Lacs, respectively. For Fiscal 2010, our PAT was (₹ 880.71) Lacs and EBITDA was (₹ 248.42) Lacs. As on December 31, 2010, the networth and total debt was ₹ 6,725.74 Lacs and ₹ 1,086.32 Lacs, respectively.

Our strong financial profile and performance allowed us to acquire two companies through our subsidiary without any requirement of taking debt. Further as on December 31, 2014 we have mutual fund investments of ₹ 1,884.06 Lacs. We believe, our strong financial profile and performance allows us to retain and attract customers. Further our strong financial profile and performance allows us to attract and retain employees, which is very critical for business.

Experienced management and employees

Our Company has experienced management and employees in the business who are able to meet the requisite requirements of our customers. Over the last three years, while some changes in upper management have been necessitated, the client-facing project management relationships and production organization have remained almost intact. Our experienced management and employees has successfully expanded our business and increased our revenues, mostly through internal growth under the guidance of our Chairman and Managing Director. Our Company believes that the skills, industry and business knowledge and operating experience of our senior executives, provide us with a significant competitive advantage as we seek to expand in our existing market and enter new geographic market. See chapter titled ***–Board of Directors and Senior Management***" beginning on page 97 for details of our senior management. We believe that our experienced management and employees under the guidance of our Chairman and Managing Director, have helped us to turn around.

OUR STRATEGY

Our Company seeks to increase the size, scope and technological advantage of our business as a global, high value-add, IT enabled service provider for publishing activities including e – Pub and be a leader in the sector we operate. Our Company's strategic intent is to play a major part in the harnessing of India's skill, abilities and cost advantage. We additionally seek to grow our relationships with publishers on the IT side as well as on the fulfilment and customer service. In order to achieve these objectives, we intend to implement the following strategies:

To emerge as a global player catering to focused business segments

Our Company intends to continue building on our expertise and execution capabilities and emerge as a preferred player in the areas of content creation, art rendering and development, design, rights and permissions, and production services providing all round publishing solutions to our customers. Our Company recognises that achieving these goals can be effectively enabled by diversifying our customer base and range of products, consolidating our position with existing customers and establishing relations with newer customers in varied segments. Our Company also propose to take initiatives in technology development as well as absorption, setting up new ventures, periodic review of our business portfolio, and expansion of physical capacities,

operational excellence and human resource development and to emerge as a global player catering to focused business segments.

Develop and continue maintaining strong relationships with our customers

Our Company enjoys its relationship with customers and are one of the preferred suppliers amongst our various publishing houses. Our customers include global players like Macmillan, Cengage Learning, McGraw-Hill, Elsevier and Wolters–Kluwer. Our Company is focused on deriving the maximum benefits from its existing relationship with publishing houses. Our Company aims to achieve this by providing a complete range of publishing solutions for all our customers and their affiliates. Our Company also aims to capture a significant proportion of the rapidly growing editorial services outsourcing contracts from these customers. Our Company intends to continue leveraging our customer relationships to augment our presence in the markets in which we are currently operating as well as to make our presence in newer markets globally.

Continue our emphasis on innovation and customization of our offerings and services to meet changing requirements of our customers

Our Company believes that we have a large opportunity if our Company can successfully cross-sell any or all other services to existing customers, not just publishing but also the IT, fulfilment, and customer service components of our business. Our Company recognizes the importance of continued innovation of our offerings and services. Our Company believes that this will enable them to increase their business from its existing customers and also assist them in acquiring new customers. For example, to our customers our Company offers online or offline lessons, tests and assessments on mobile application for iPhone and android, web applications using HTML5 and hybrid application that combine two architectures. Our Company intends to continue to expand our portfolio of products, offerings and geographic reach to harness opportunities for organic growth and continue our emphasis on innovation and customization of our offerings and services to meet changing requirements of our customers.

Grow our business inorganically

Our Company, through its wholly owned subsidiary, MPS North America LLC at USA, has made two acquisitions in the education publishing services space in the last two years. Our Company has acquired the business of the Orlando-based Element LLC in July, 2013, which added to our range of services for school education publishers in the USA. Our Company has acquired the business of New York based Electronic Publishing Services Inc. in October, 2014, which has added content creation and other capabilities in the higher education space. Our Company believes that the industry, in which they operate, is ripe for further consolidation. Our Company intends to pursue inorganic growth opportunities both domestically and internationally, in the process adding more products, services, customers and developing deeper engagements. As on the date of this Placement Document, our Company has not entered into any agreements for acquisition but shall keep on exploring such acquisitions options and strategic investment opportunities which will help in expanding the scope of our existing services, add new customers or allow us to enter new geographic markets.

Development of new platform within the focused business segments along with increased focus on diverse market

Currently, our Company provides majority of their products and services to large publishing houses such as Macmillan, Cengage Learning, McGraw-Hill, Elsevier and Wolters–Kluwer. Our Company intends to expand its reach to small and medium publishers, which forms part of traditional markets and which has not served through different platforms. Our Company has developed a broad range of customized products and service offerings in order to address the varied and expanding requirements of small and medium publishers. Our Company is experiencing early success/positive response in this market with MPS Trak and DigiEdit. For example, our intention to foray into workflow management and tracking including configuration and task assignment at chapter and article level, manuscript submission by authors followed by peer review, task approval and reprint orders by authors, content management. Our Company believes that its products and services for small and medium publishers will help in growing its business. Our focus on development of new platform within the focused business segments along with increased focus on diverse market will help in further customizing our service offerings to meet the evolving needs of our customers including small and medium publishers.

DESCRIPTION OF OUR SERVICES

The business of our company may be broadly divided into providing the following services to our customers:

1. **Book and Journal Publishing Services;**
2. **Digital Services;**
3. **MPS 360 Customer Services;**
4. **MPS Technologies;**
5. **Learning and New Media Services;**
6. **Ad-Studio;**
7. **Business Process Applications.**

The table below provides information regarding Total Revenue from Operations relating to business divisions during Fiscals 2012, 2013 and 2014 as per the Audited Financial Statements:

(₹ in Lacs)

Division	Fifteen months period ended on March 31, 2012		Twelve months period ended on March 31, 2013		Twelve months period ended on March 31, 2014	
	Net Revenue	% of Total Revenue	Net Revenue	% of Total Revenue	Net Revenue	% of Total Revenue
Books & Journals	10,659	55.8%	9,245	56.4%	11,620	58.9%
Digital Services	2,571	13.5%	2,337	14.3%	2,344	11.9%
MPS 360 Customer Services	2,287	12.0%	1,846	11.3%	1,762	8.9%
MPS Technologies	1,689	8.8%	1,504	9.2%	1,762	8.9%
Learning and New Media Services	691	3.6%	601	3.7%	626	3.2%
Ad-Studio	1,163	6.1%	830	5.1%	665	3.4%
Business Process Applications	41	0.2%	37	0.2%	50	0.3%
MPS North America LLC	NA		NA		899	4.6%
Total	**19,101**	**100 %**	**16,400**	**100 %**	**19,728**	**100 %**

PRODUCT AND SERVICE OFFERINGS

BOOK AND JOURNAL PUBLISHING SERVICES

Our Company performs a diverse range of prepress publishing services for educational, professional development, STM, academic and trade publishers. Our journal publishing services excel in providing end – to – end publishing services for Scientific, Technical and Medical & Hospital for Special Surgery journals for customers worldwide. Our Company handles journal articles right from the moment editors approve an article for publication. Our Company has been catering a range of pre-production solutions for past forty-five years to book and journal publishers. Our Company offers complete pre – press solutions for publishers including XML- and non-XML-based typesetting, editorial services, art work creation, and full-service project management for books and journals. For the Fiscal 2013 and Fiscal 2014, our Company has derived 56.4 per cent and 58.9 per cent of its total revenue from our book and journal publishing services.

Typesetting and XML workflows

MPS production supports several workflows, including front-end XML workflows. Several automated tools are in place for quick and efficient production, which includes XML production tools, pre-editing and copyediting tools, content consolidation tools, auto-pagination, PDF & Graphic production, quality control, and automated receipt and delivery systems.

All composition systems used by our Company supports an XML workflow and our Company has built customized tools around this for handling XML efficiently and in as automated a manner as possible. These include generation of auto page proofs from XML and graphic files using a batch engine. MPS has developed in-house solutions for the automated pagination (Black box /Server based) of input XML data within Adobe InDesign and Arbor text APP (3B2) composition systems. E Book files are generated from the XML to ensure that all text updates are incorporated into the EPUB / Mobi file.

For books that require a non-XML workflow, such as children‘s books, school textbooks and certain types of major reference works, we have a range of different options designed to handle high design elements or heavily structured material. In addition, should any such work require an XML deliverable at the end of the process, we also convert the final application files to XML based on the specification provided by our customers. We have the flexibility to adapt our workflows to meet the customers need as we have done for a range of customers from those in higher education to trade publishers. In addition to setting up a procedure to handle and transmit material through these customized workflows, we also develop special tools that may be needed and continually evaluate the process to refine it further.

Our production process generally takes forty-five to sixty days for a book, depending on the contents; and for a journal article eight to ten days. However depending upon the requirement of our customers, we can accelerate the production process by reducing the production time for a journal article from the regular eight to ten days to two to three days or halving our book production turnaround time. We also provide an ultra-fast service for journals in which we process their content in a matter of hours.

Our team is skilled in working with all of the major pagination software, including InDesign, APP 3B2, Quark, TEX, LaTeX and Frame Maker. We select the software based on either the project‘s requirements or the publisher‘s preference.

Editing and Indexing

Our Company offers both onshore and offshore copyediting, proofreading, and indexing services, as well as a hybrid model that combines the best of onshore capabilities with the advantages of an India-based process. Our editorial team has varied specializations and skills designed to meet the disparate needs of our customers. Our Company, with the help of our in-house staff and experienced freelancers, is able to handle almost any type of book or journal that requires native language skills and local knowledge. In addition to English language onshore editing, we also offer onshore editorial services for books or journals in several European languages, including Spanish, Portuguese, German, French, and Italian. Our copy editors are experts in their chosen areas of specialization. Many of our editors have earned postgraduate degrees or PhDs. In addition to deep subject knowledge, our editors have the language skills to handle material written by authors. Our pre editing tool, MPS Edit Pro, also helps the editor structure specific parts of an article or book, such as the references and apply the relevant styles, thereby ensuring a higher quality of editing.

Our Company is well equipped to create an index that meets the requirements of both the publishers and the authors in terms of style, structure, and the formatting of items such as cross references and locators. Our Company also offers a page locating service for authors who prefer to provide index keywords themselves. A comprehensive QA checklist and QA report help us to maintain a high level of quality on every single index.

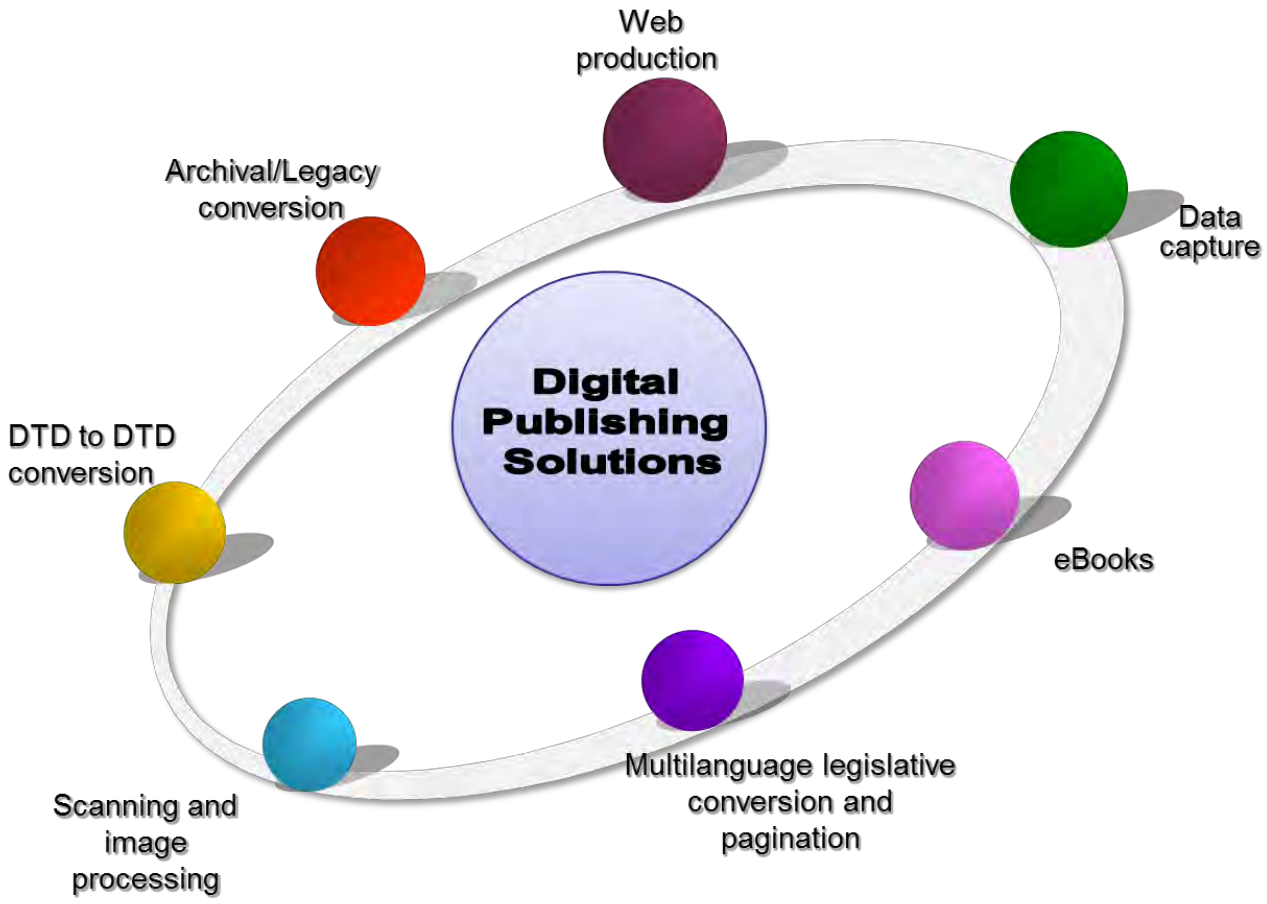
Art Creation

After typesetting, editing and indexing, we also create specialized artwork with the help of our skilled graphic artists for books and journals. Using software like Adobe Photoshop and Illustrator, our Company offer all types of rendering services including digital proofing, high quality scanning, format conversion, re-drawing, relabeling and half-tone adjustments.

Our team is specialized in different types of artwork, from complex medical illustrations to human figurative art for K – 12 textbooks. They are equipped to handle art for all subjects, from mathematics to computers and chemistry to engineering. Our Company creates a graphic from a simple text description, work from a photo, or replicate an existing image, adapting it as necessary to our customer requirements. Our Company has developed a range of in house tools to validate all artwork at two stages in the production workflow, first, before the graphic is sent for typesetting; and second, a final pre-flight check before the printer files are dispatched. This ensures our customers that all artwork we prepare for their publications is perfect to go to print.

DIGITAL SERVICES

This business unit deals with the transformation of content from any input to multiple digital formats to cater our customer‘s needs. We have built a skilled and dedicated data conversion team for books, journals, directories, and a wide variety of other applications. For the Fiscal 2013 and Fiscal 2014, we have derived 14.3 per cent and 11.9 per cent of our total revenue, respectively, from our digital services.

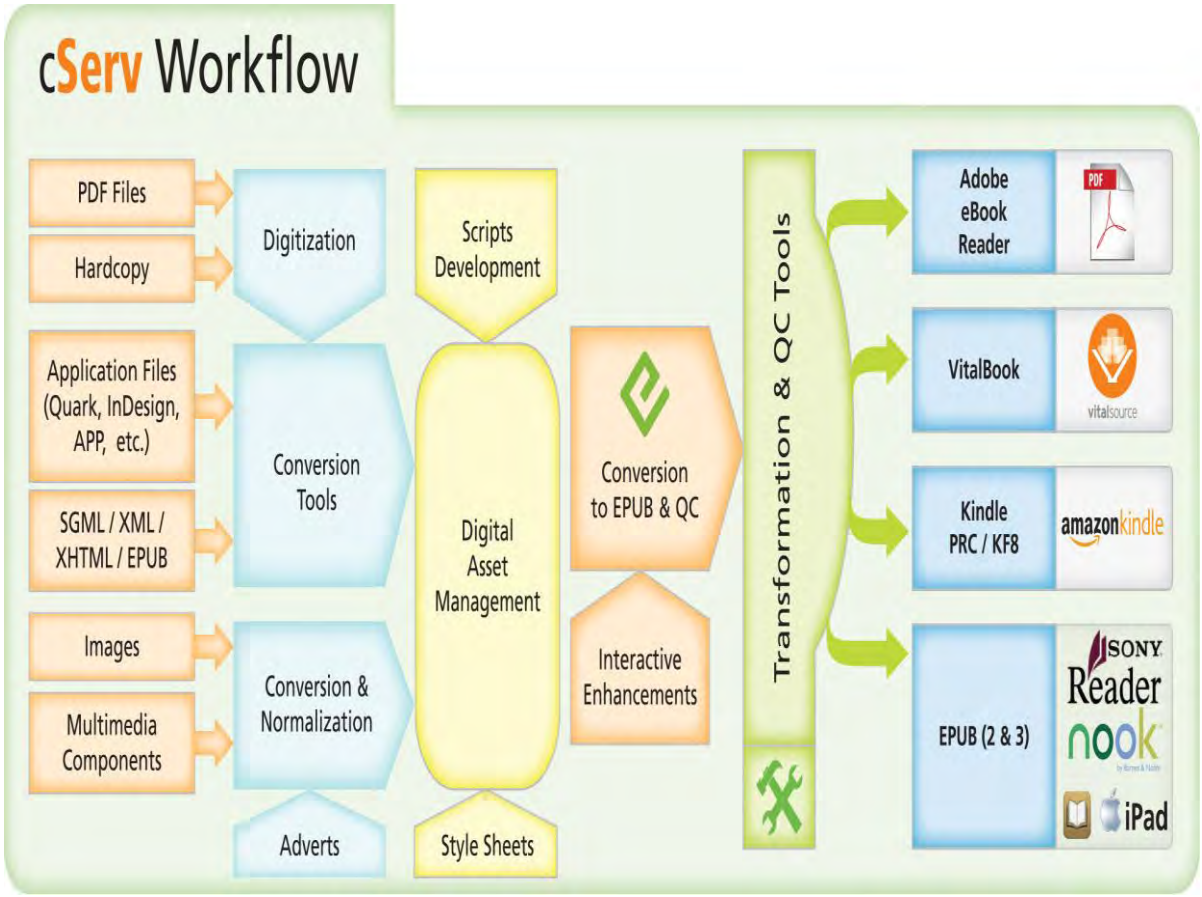


Data Conversion

Our Company takes any type of print or electronic input and convert it into the format of our customers' choice. Our Company works with a vast range of content types and formats and handle any type of conversion, including transformations from one form of XML to another, Archival/Legacy Data conversion, Multilanguage legislative conversion and pagination, eBook conversion projects, web productions, etc. Our Company converts the content into a digital format that help our customers to create a durable digital repository in which they can store and retrieve the content easily and quickly. Our Company uses a highly automated process to convert hard-copy books, journals and magazines into soft-copy formats. The four-stage process of extracting the text, converting it and validating and coding it owes its accuracy and speed to proprietary tools which have been developed for each stage of the workflow. Our Company also uses sophisticated tools at the _Quality Control' stage to ensure that zero errors occur. At the end of the process, our Company delivers hard-copy books, journals and magazines as PDFs, XML or HTML. The content delivery services helps to make the content available to different users in different forms.

E – Book Creation

Our Company, through e – book creation, enables customers to cater its business in new markets by digitizing and enriching their print-based content-base. Our Company can convert their content to any e – book format suitable for various types of eBook readers, including EPUB compatible to the iPad and Android-based devices, Mobi for the Kindle, as well as for other proprietary e Readers. Our Company has high-quality scanners to digitize any hard-copy content before we take it through our eBook conversion workflow. Our Company also handles any form of electronic input, from application files to PDF to XML.



Our Company first converts all inputs into a basic EPUB format, using an automated process assisted by especially developed in-house tools. Our Company then carries out the quick and simple second step conversion to the format of the customer‘s choice. Our Company also turn the content into an interactive, multimedia-enriched flipbook. Our in-house tool, Media Suite, is designed to bring a book, journal, or learning guide to life by adding visual and audio media, Web links, and interactive elements such as quizzes and tests.

MPS 360 CUSTOMER SERVICES

Our Company provides back-office customer support and subscription management services for print and online products, order fulfillment, customer support, and subscription management. Our approach encompasses customer centric orientation focused on long term relationship and delivery of all round customer service through end to end service portfolio. For the Fiscal 2013 and Fiscal 2014, we have derived 11.3 per cent and 8.9 per cent of our total revenue, respectively, from MPS 360 customer services.

Subscription Management

Our Company provides comprehensive solutions that cover every stage of the subscription cycle of our customer from storage and order and payment processing, to invoicing, credit control, label runs, dispatch instructions, renewals, reminders, and returns. Our Company offers real-time reporting that allows our customers to analyze sales and revenue, generate marketing data, and manage their stock remotely. Our systems handle multiple currencies and payment types, global address structures, and taxes.

MPS TECHNOLOGIES

Our Company has an in-house software development division for publishers powered by more than 300 experienced developers. Being in the industry for over four decades, our Company understands that every publisher has distinctive application service requirements that cannot be addressed by standardized publishing applications. Our strong domain experience, technical expertise and profound knowledge of the publishing industry helps us to cope up with the latest industry trends and provide quality driven, end-to-end web based applications and solutions. Our Company assists publishing enterprises with application services that are innovative and highly reliable.

Our Company has a pool of highly skilled software professionals who design, prototype and develop applications that address specific service requirements of our customers. Our Company delivers a wide range of solutions such as payment gateways and e-Commerce, Data ETL technologies based on Jasper and Pentaho Suites, Inherent messaging services like Active MQ etc. For the Fiscal 2013 and Fiscal 2014, our Company has derived 9.2 per cent and 8.9 per cent of our total revenue, respectively, from MPS Technologies.

MPS Trak

MPS Trak is a cloud based work flow and content management platform for production tracking of journals, books and reference works which was developed in collaboration with a major publisher. Our Company provides content management tools and operational agility required for constantly evolving editorial and production system processes in a rapidly changing publishing world. Some of the key components of MPS Trak are: workflow management and tracking, including configuration and task assignment at chapter and article level, manuscript submission by authors followed by peer review, task approval and reprint orders by authors, content management, integration with peer review, enterprise CMSs, suppliers systems, third party databases, performance, marketing, revenue reports etc.

Content Hosting and Content Store

Our Company offers publishers a fast and effective solution for selling, marketing, and distributing any type of digital content. Content Store is a hosted e – Book delivery and distribution platform with features for converting, showcasing, marketing and distributing contents in multiple ways. Content Store drives e-Book sale over the web and mobile platforms including iPad, android and web applications. Our Company provides a

comprehensive and customizable e – Content publishing solution for publishers, universities, libraries, and e-Book sellers.

Our Company provides a digital platform that stores, displays, markets, and sells e-Books, e-Journals, newspapers, magazines, audio files, and eLearning material. Our Company customises the digital platform matching the brand and identity of our customers. Through this platform, we provide various options to the publisher for selling their contents at section and chapter levels, via pay per view or time based access, or allows the readers to build their own packages from the contents. It allows the publishers the choice of retaining their own payment gateway or using the in-built check out function to sell online their books and journals. It enables the publishers and institutions to implement their e-content strategies while protecting content through a variety of DRM options.

MPS Insight

MPS Insight is an intelligent, cloud-based platform that allows our customer to access and analyse content usage. Our Company offers MPS Insight, a tool that immensely simplifies publishers' compliance to the COUNTER code of practice which provides a framework for the recording and exchange of online usage statistics at an international level. MPS Insight automates the measurement of online information, products and services in a credible, consistent and compatible manner. It uses the data generated at the customer end, to create COUNTER compliant usage statistics reports. MPS Insight caters to the needs of publishers who have to provide usage statistics on online versions of journals, books and databases. This system also delivers reports at the consortia level which is also an integral part of COUNTER compliance. We offer different packages of MPS Insight that can be customised to match with specific requirements of our customers.

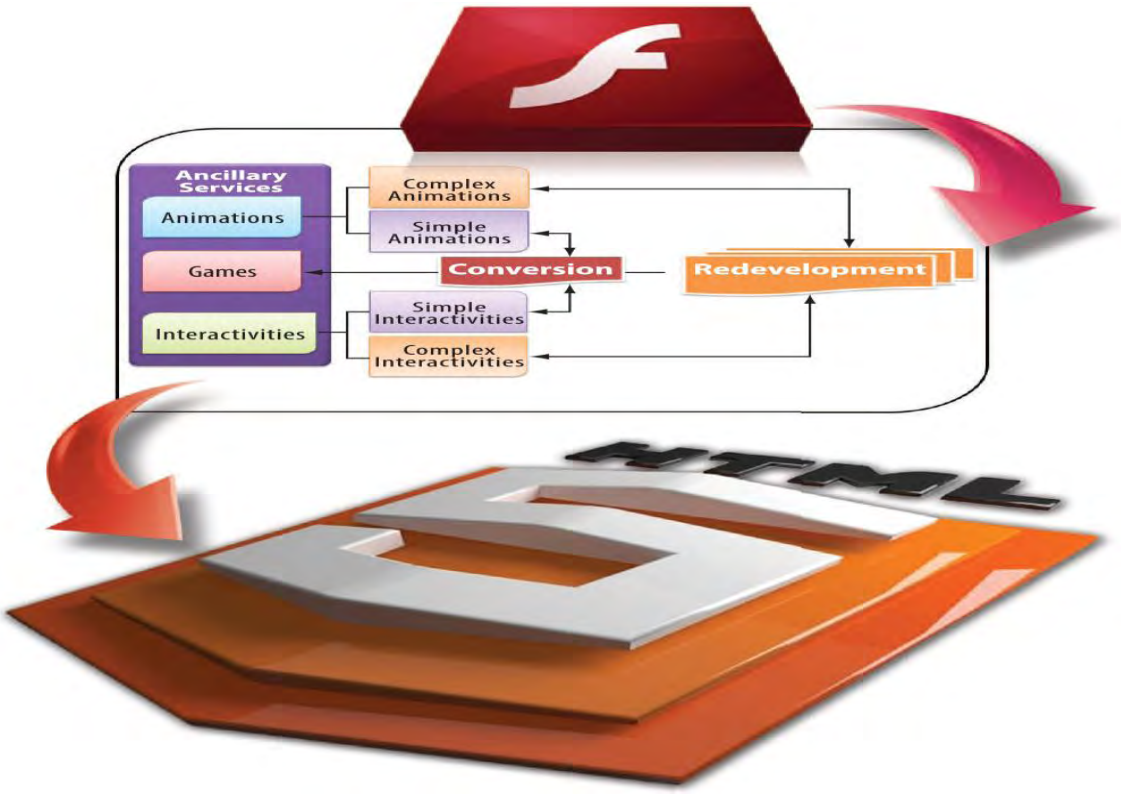
Instant Book Store

Instant Book Store ("**IBS**"), is a system that enables publishers and retailers to set up an e – book store almost instantly at unbelievably low costs. IBS works as an integrated component on the publisher‘s /retailer‘s website, thus allowing the online visitors to browse through the sample pages of a book directly from their website. In order to execute the e-commerce activity, publishers' can either retain their own payment gateway on their existing websites, or else can also use the in-built payment gateway of IBS.

IBS provides the browse inside functionality that can be used by the publishers to promote their e-content. Visitors to their website can pick any book off the electronic shelf and browse through its sample pages before actually deciding to buy it. This enhances the probability of actual purchase while also promotes the content amongst prospective buyers. IBS also features widgets - a viral marketing tool that showcases the book content and can be easily placed on social networking sites, blogs and author sites to promote content and boost sales.
Automated indexing of pages and metadata of keywords facilitates search engine results and visitors can search through the book on the IBS interface for specific words or phrases with ease.

LEARNING AND NEW MEDIA SERVICES ("LNMS")

LNMS division develops engaging and interactive learning products for educational publishers. Our Company is equipped with multimedia tools with cutting-edge learning theories and technologies to create engaging and interactive solutions for customers. Our Company creates digital learning applications for use as learning aids in the classroom, including design tools, flip charts, interactive games, and activities. Our Company has a team of content creators, art directors and graphic designers who provides high-quality design and production services to a growing portfolio of print and digital media customers. Our Company understands that content needs to remain fresh and alive therefore, our Company provides website maintenance services where we create, update, and maintain web content regularly.

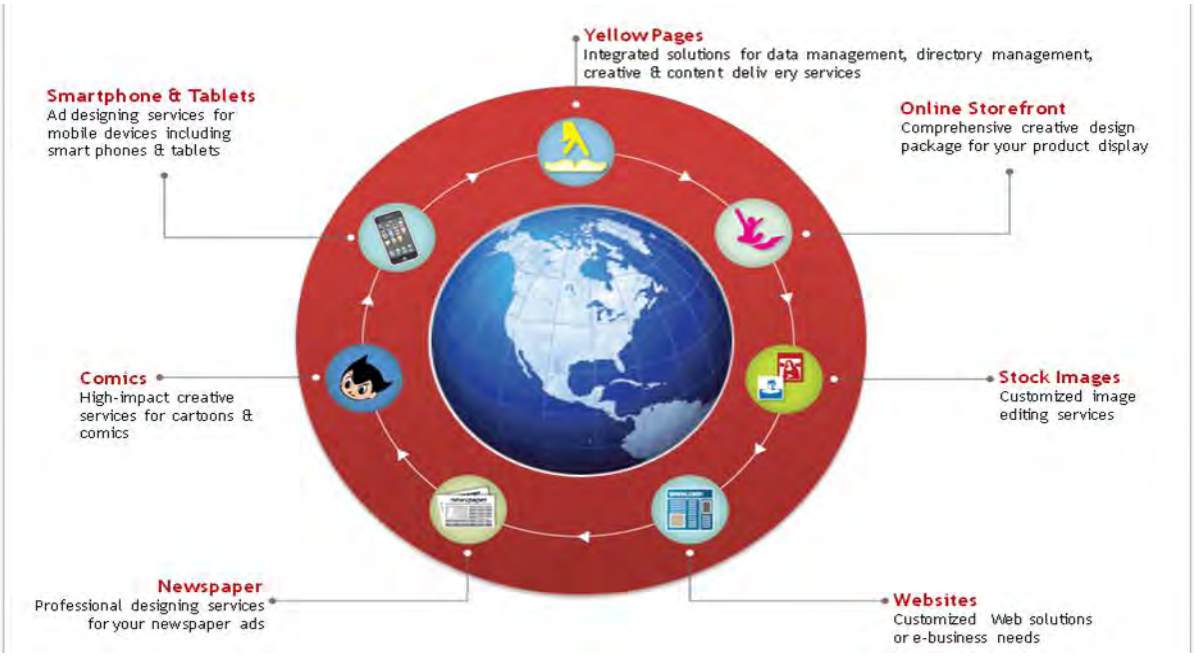


Our Company designs and develops educational companion CDs that supplement the school curriculum. They contain animations, activities, assessments, games and other interactive content that make learning fun. The content can also be made interactive whiteboard compliant for classroom use. Our Company creates fun and interactive DVDs that can be used as supporting digital learning aids or as stand-alone learning material. Our DVD authoring services include designing the menu or interface for the interactivity, compiling and authoring DVD players intended for specific regions, creating resource packs, and DVD testing.

Our Company draws on the composite experience of a team of project managers, instructional designers, graphic designers, programmers and quality assurance experts to design a solution that gives an improved learning experience that translates into enhanced on-the-job performance. Our experience in providing services for learning management systems (LMS) and learning content management systems (LCMS) ensures that our Company takes care of learning infrastructure needs of the customers such as administering training programs and enrolling, tracking and certifying learners. Apart from creating learning solutions, we also offer consultancy services for individual or organizational learning needs that cover the entire gamut of learning activities, including instructional design, visual design, and technology.

MPS Database/Directory Publishing Services/Ad Studio

Our Company offers innovative advertisement design and production services via print, online, and mobile platforms for database/directory publishers. Our Company prepares competitively priced, high quality print, online, and mobile advertisements in as little as twenty four hours. In addition to creating ads, our Company also specializes in page layout for yellow pages and directories. By molding our processes to fit existing workflows and by working within your time zone, we make it easy for our customer to hand over their advertisement and yellow page related processes to us. Our graphic artists work on creative and text ads across various print media, including newspapers, magazines, and yellow pages. In addition to regular print advertisements, we produce a large number of web advertisements both static and animated for the Internet and mobile using flash and Dreamweaver.



K- 12 Content Development Services

Through our wholly owned subsidiary, MPS North America, LLC, our Company provides content development services by integrating digital learning with subject matter expertise. Our Company has incorporated MPS North America LLC on May 29, 2013 in the State of Florida, USA. Our Company, through its subsidiary, provides full service editorial, design and production services to the educational publishing market with expertise in developing turnkey solutions for print and on line products. Our Company is also engaged in developing content and products for learners of all ages across a broad range of curricula and subjects, with specialisation in pre-kindergarten and kindergarten to standard XII. For the Fiscal 2014, our Company derived 4.6 per cent of its total revenue from its Subsidiary, MPS North America, LLC.

During the Financial Year 2013, our Company had acquired the business of Element LLC (–**Element**") through a court approved process. Through this acquisition our Company has increased its presence in the US school educational publishing market. This acquisition has given a foothold in full service editorial, design, production services to the school educational publishing market. Further, in October 2014, our Company had acquired Electronic Publishing Services (–**EPS**"), a New York based company, involved in full-service editorial, content creation, art rendering and development, design, research and permissions, and production services to the higher education and professional publishing markets. This acquisition of EPS further strengthens our presence in North America and enriches our portfolio in the educational publishing market.

Quality Management Systems

Our Company's adherence to quality management systems is exemplified by its continuing certification to the ISO 9001:2008 Quality Management System for providing full service pre – press and content transformation services for publishers of periodicals; and ISO/TEC 27001:2005 information security system for providing publishing solutions worldwide to the publishers, including support departments. With the increased information security concerns of its customers, our Company took a conscious decision to implement good information security practices in the entire organization and look for third party certification of the same on the lines of its Quality certification**.** We are also payment card industry data security standard (PCI-DSS) compliant organization for credit card payment security data centre.

Major Clientele/ Customers

Our clientele is broad-based, for instance we served over 50 customer accounts in the Fiscal 2014. With majority of such of our customers we either have continued business from them over the years or have multiple projects undertaken at any point of time.

Geographic Spread

Our Company has facilities/offices at Bengaluru, Chennai, Delhi, Dehradun, Gurgaon and Noida in India, having a capacity of over 4,000 seats. We have offices in Portland (Oregon) and London (United Kingdom). Further, our Subsidiary has offices at Orlando (Florida), Durham (North Carolina) and Champaign (Illinois) in USA.

Human Resources

Our business revolves around and is dependent on our people. We consider our employee strength as a critical factor to our success. Our Company has drawn up a comprehensive human resource strategy that addresses key aspects of human resource development.

As on February 28, 2015, we had 2,877 employees. We also engage consultants as per customer‘s requirements, at a standalone level. In addition, we regularly engage staff on need based requirements. The skill sets of our employees give us the flexibility to adapt to the needs of our customers and the technical requirements of the various projects that we undertake.

The detailed break-up of our employees is as under:

Department/Grade/location	February 28, 2015
1. Book and Journal Publishing Services	2,038
2. Digital Services	310
3. MPS 360 Customer Services	137
4. MPS Technologies	103
5. Learning and New Media Services	44
6. Ad Studio	72
7. Human Resources, Legal and Secretarial	22
8. Finance & Accounts	28
9. IT and other support service.	123
TOTAL	**2,877**

Recruitment, Training and Development

Our Company on regular basis recruits candidates for the purpose of training, developing professional excellence and improving competency level of such selected candidates by following the due process of recruitment and selection process as determined by our Company from time to time. Our Company believes in the policy of continuing education and updating of knowledge. Training in our Company is a planned process designed to improve performance/ productivity and to bring about changes in knowledge, skills, attitudes and social behaviour of employees across the grades in the organization. It is a catalyst for a right fit between people, strategy, systems and customers. The issue of attrition is a phenomenon experienced by all players in the outsourcing enabled services industry. We have defined compensation charts defining various components of compensation and their limits for each of the roles. Our human resources department reviews the compensation levels, compensation budgets, and compensation increment budgets in the regular interval of time.

Our Properties

Our registered and corporate offices are located in Chennai, Tamil Nadu and Noida, Uttar Pradesh, respectively. Our Company and its Subsidiary conducts its operations from the following properties:

Sr. No.	Details
Company	
1.	4th Floor of RR Tower IV, situated at T.V.K. Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu, India.
2.	C-35, Sector 62, Noida - 201 309, Uttar Pradesh.
3.	340, Udyog Vihar, Phase IV, Gurgaon – 122 016, Haryana, India.
4.	Third Floor, NSIC STP – Complex, Okhla Industrial Estate, New Delhi – 110 020, India.
5.	33, IT Park, Sahastradhara Road, Dehradun – 248 001, Uttarakhand, India.
6.	HMG Ambassador, 137, Residency Road, Bengaluru - 560 025, Karnataka, India.
7.	Brigade Towers, 135 Brigade Road, Bengaluru - 560 025, Karnataka, India.

Sr. No.	Details
8.	1717, NE 42nd Avenue, Suite 2101, Portland, Oregon – 97213.
9.	Macmillan Building, 4 Crinan Street, London N1 9XW, United Kingdom.
Subsidiary	
10.	2530 Meridian Parkway, 2nd and 3rd Floor, Durham ,North Carolina, 27713, USA.
11.	5750 Major Blvd., Suite 100, Orlando, Florida – 32819.
12.	Nadbol LLC C/o Fox Development Corporation 1909, Fox Drive, Champaign, Illinois 61820.

Insurance

Our Company insured its various properties and facilities against the risk of fire building and/or content, burglary, money insurance, employee fidelity and all risks (portable equipment). Our Company has also obtained Directors‘ and Officers‘ Liability Insurance Policy which covers our Company‘s Directors and Officers against the risk of financial loss arising in the normal course of business. We have obtained Information & Communication Technology Liability policy Insurance which covers optional extensions, personal Injury and property damage of our Company. We also have Group Mediclaim – Tailor made policy covering employees, their spouse, dependent children and Workmen‘s Compensation (General) Policy for clerical work, indoor job, (special condition – medical extension limit ₹ 10,000 per employee/ case) and Group Personal Accident Policy for our employees.

For a discussion of certain risks relating to our insurance coverage, please refer to the chapter titled ***–Risk Factors***" beginning on page 36 of this Placement Document.

Intellectual Property

Our Company does not own or otherwise possess any registered intellectual property rights. Our corporate logo MPS is in the process of registration with the Trademark Authorities. We have applied for registration of our corporate logo under various class of the Trademarks Act, 1999 *vide* an application dated March 11, 2015 and our application is pending before the Registrar of Trademarks, New Delhi.

Further, our Company has made an application for registration of copyright under Literary Work for DigiEdit, DigiComp, DigiXML and MPSTrak forming part of MPS DigiCore and is pending before the concerned registration authority under the Copyrights Act, 1957. For further details, please refer to the chapter titled ***–Risk Factors***" beginning on page 36 of this Placement Document.

Corporate Social Responsibility (–CSR")

Our Company‘s CSR Policy was adopted in August7, 2014 in accordance with Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013. This Policy is aimed at addressing specific social concerns, contributing to local communities where our Company has presence and involving our Company‘s employees in our Company‘s CSR initiatives. The Companies Act, 2013 introduced provisions relating to CSR, pursuant to which our Company is required to spend, in each financial year, at least 2.0% of its average net profits during the three immediately preceding financial years towards one of the specified CSR activities. As required by the Companies Act, 2013, our Company is required to spend ₹ 79 Lacs on the CSR activities during the Fiscal 2015.

Our Company supports education of school girls in the age group of 6 to 14 years from marginalized communities. Our Company has partnered with IIMPACT, a non-profit organisation working on providing education through learning centres. These learning centres are operational in Dehradun, Uttrakhand, Mewat, Haryana and Bundi, Rajasthan. Our CSR –MPS Limited Girls Education Project" has been operational since January, 2013. Our Company‘s grant cover expenses on the projects such as teachers‘ and other support staff salaries, training, teaching and learning materials, monitoring and travel for the purpose of monitoring the projects.

REGULATIONS AND POLICIES

The following description is a summary of relevant regulations and policies applicable to our Company. This description is based on the current provisions of Indian law, which are subject to change or modification or interpretation by subsequent legislative, regulatory, administrative or judicial decisions. The laws set out herein below and their description are not exhaustive, and are only intended to provide general information to Investors and is neither designed nor intended to be a substitute for professional legal advice.

General Regulation and Policies Applicable to our Company

Software Technology Parks Scheme

Software Technology Parks of India ("**STPI**") came into existence in 1991, as an autonomous organization under Ministry of Communication and Information Technology. STPI was set-up to implement the software technology park scheme ("**STP Scheme**") to promote software exports. STP Scheme permits the establishment of units engaged in software development and information technology enabled products and services ("**ITES**"). STP Scheme is a 100% export oriented scheme for undertaking software development for export using data communication links or in the form of physical media including export of professional services.

The STP Scheme has been notified by the Central Government (Ministry of Commerce) in exercise of its powers under Section 3 (1) of the Foreign Trade Development and Regulation Act, 1992 to permit the establishment of Software Technology Parks ("**STP**") with the objective of encouraging, promoting and boosting the software exports from India. The production of products which are notified as information technology enabled products and services qualify their producer or provider of such products or services for establishing a unit under the STP Scheme.

The STP Scheme provides infrastructure such as data communication facilities, operational space, common amenities, single window statutory services such as project approval, import certification and other facilities to boost software exports from India. In addition to the infrastructure support, an STP unit enjoys the following fiscal benefits, rendering it attractive for entrepreneurs:

1. All hardware and software imports are exempt from customs duties
2. A STP receives corporate tax exemption on 90% export turnover as per Section 10A of Income Tax Act.
3. Domestic purchases by STP units are eligible for the benefit of deemed exports to suppliers
4. Capital goods purchased from the DTA (an area within India but outside a notified STP) are entitled for exemption from excise duty and reimbursement of central sales tax;
5. The sales in the domestic tariff area shall be permissible up to 50% of the export in value terms
6. Depreciation on capital goods up to 90% over a period of five years and also the accelerated rate of 7% per quarter during the first two years subject to an overall limit of 70% in the first three years.

Many state governments have also added to the incentives by providing for low rates of sales tax on products in the information technology sector.

The principal compliance required of a company accorded approval under the STP Scheme is the fulfilment of the export obligation. Additionally, the STP unit is required to file monthly, quarterly and annual returns to STPI in the nature of a performance report indicating the export performance and the CIF value of imported goods and foreign currency spent on incidental expenses.

The Information Technology Act, 2000/Data Protection Laws

The Information Technology Act, 2000 (the "Information Technology Act") was enacted with the aim to provide legal recognition to electronic transactions. In addition to providing recognition to electronic records and creating a mechanism for the authentication of electronic documentation through digital signatures, the Information Technology Act also provides for civil and criminal liability including fines and imprisonment for various computer related offences. This includes offenses relating to unauthorised access to computer systems, modifying the contents of such computer systems without authorization, damaging computer systems, the unauthorized disclosure of confidential information and computer fraud. Further, the Information Technology (Amendment) Act, 2008 (the "**Amendment Act**") now recognizes contracts concluded through electronic means, creates liability for failure to protect sensitive personal data and gives protection to intermediaries in

respect of third party information liability. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 has been passed by the Government in relation to Section 69A (2) allowing blocking of websites and/or information in case of emergency.

In addition to the Information Technology Act, the Department of Information Technology under the Ministry of Communications & Information Technology, Government of India, has from time to time notified various rules and guidelines under the Information Technology Act. Some relevant rules and guidelines include the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (the "**Data Protection Rules**") in respect to Section 43A of the Information Technology Act and the Information Technology (Intermediaries Guidelines) Rules, 2011 (the "**Intermediaries Guidelines**") in respect of Section 79(2) of the Information Technology Act. The Data Protection Rules covers personal information and sensitive personal data or information and prescribes directions for its collection, disclosure, transfer and protection. The Intermediaries Rules requires persons receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the Intermediaries Rules and to disable such information after obtaining knowledge of it.

The Indian Penal Code, 1860, and the Indian Evidence Act, 1872 have been amended to include electronic records as "documents" for the purpose of these statutes.

Indian Copyright Act, 1957

The Indian Copyright Act, 1957 ("Copyright Act") provides for registration of copyrights, transfer of ownership and licensing of copyrights, and infringement of copyrights and remedies available in that respect. The Copyright Act affords copyright protection to original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Once registered, copyright protection lasts for 60 years, subsequent to which the work falls in the public domain and any act of reproduction of the work by any person other than the author would not amount to infringement. The remedies available in the event of infringement of copyright include civil proceedings for damages, account of profits, injunction and the delivery of infringing copies to the copyright owner, as well as criminal remedies, including imprisonment of the accused and imposition of fines and seizure of infringing copies. While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favouring ownership of the copyright by the registered owner.

Design Act, 2000

Industrial designs refer to creative activity which result in the ornamental or formal appearance of a product and design right refers to a novel or original design that is accorded to the proprietor of a validly registered design. Industrial designs are an element of intellectual property. The minimum standards of protection of industrial designs have been provided for, under the TRIPS Agreement. As a developing country, India has already amended its national legislation to provide for these minimal standards.

The essential purpose of design law it to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The existing legislation on industrial designs in India is contained in the Designs Act, 2000 and this Act will serve its purpose well in the rapid changes in technology and international developments. India has also achieved a mature status in the field of industrial designs and in view of globalization of the economy, the present legislation is aligned with the changed technical and commercial scenario and made to conform to international trends in design administration.

Under the Designs Act, 2000, designs of articles, which serve the purpose of visual appeal, are registrable. The designs should represent a shape, configuration, pattern, or ornamentation of an article. The design should be capable of being applied to an article to enhance its appeal to the eye e.g. shape of pen, combs, pressure cooker or ornamentation on carpet etc. which add only aesthetic value of the article.

Design should be incorporated to the article by an industrial process or means. Therefore mere painting of natural scene will not be considered as a subject matter for registration. Designs, which are solely functional, or the principle or the mode of construction of an article shall not be the subject matter of registration.

Designs Rules, 2001:

In the Third Schedule of Designs Rules, 2001 the classification of goods has been mentioned. Classification is based on Locarno Agreement. Only one class number is to be mentioned in one particular application.

The classification of goods is on the basis of articles. Articles are grouped into 32 classes and further divided into sub-classes. The classification of articles is function oriented (e.g. class 1- Foodstuffs, class 2- Articles of clothing and haberdashery class 3- Travel goods, cases, parasols and personal belongings etc.) A design cannot be registered in more than one class.

The design should be new or original, not previously published or used in any country before application for registration; The design should relate to the feature of a shape, configuration, pattern or ornamentation applied or applicable to any article; The design should be applied or applicable to any article by way of any industrial process or means; The design should be visible on the finished article; The design should not be a mode or principle of construction or operation or anything, which is a functional component of the device; The design should not comprise of a trademark or property mark or artistic work as defined under the Copyright Act; The design should not be contrary to public order or morality.

Trade Marks Act, 1999

The Indian law on trademarks is enshrined in the Trade Marks Act, 1999. Under the existing legislation, a trademark is a mark used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‗mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. The trademark once applied for, is advertised in the trademarks journal, oppositions, if any are invited and after satisfactory adjudications of the same, a certificate of registration is issued. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fee.

Tax Related Legislations

Value Added Tax, 2005

Value Added Tax (the **VAT**) is a system of multi-point levy on each of the entities in the supply chain with the facility of set-off input tax whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is essentially a consumption tax applicable to all commercial activities involving the production and distribution of goods, and each State that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register themselves and obtain a registration number.

Income Tax Act, 1961

The Income Tax Act, 1961 (the **IT Act**) is applicable to every company, whether domestic or foreign, whose income is taxable under the provisions of this Act or Rules made there under depending upon its ―Residential Status‖ and ―Type of Income‖ involved. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like.

Central Excise Act, 1944

Excise duty imposes a liability on a manufacturer to pay excise duty on production or manufacture of goods in India. The Central Excise Act, 1944 is the principal legislation in this respect, which provides for the levy and collection of excise and also prescribes procedures for clearances from factory once the goods have been manufactured etc. Accordingly, the Central Excise Rules, 2002 has been framed by the Central Government under the Central Excise Act, 1944.

Service Tax

Service tax is charged on ‗taxable services' as defined in Chapter V of Finance Act, 1994, which requires a service provider of taxable services to collect service tax from the recipient of such services and pay such tax to the Government. According to Rule 6 of the Service Tax Rules, every assesse is required to pay Service tax in TR 6 challan by the 5th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, our Company is required to file a half yearly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates.

Customs Act, 1962

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. Any Company requiring to import or export any goods is required to get itself registered and obtain an Importer Exporter Code (IEC) number.

Importer Exporter Code

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/ divisions/ units/factories.

Labour Laws

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970, as amended (the "**CLRA**"), requires establishments that employ or have employed on any day in the previous 12 months, 20 or more workmen as contract labour to be registered and prescribes certain obligations with respect to the welfare and health of contract labour.

The CLRA requires the principal employer of an establishment to which the CLRA applies to make an application to the registering officer in the prescribed manner for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a licence and not to undertake or execute any work through contract labour except under and in accordance with the licence issued.

To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor including the establishment of canteens, rest rooms, drinking water, washing facilities, first aid facilities, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be imposed for contravention of the provisions of the CLRA.

Minimum Wages Act, 1948

State governments may stipulate the minimum wages applicable to a particular industry. The minimum wages may consist of a basic rate of wages and a special allowance; or a basic rate of wages and the cash value of the concessions in respect of supplies of essential commodities; or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate government. Contravention of the provisions of this legislation may result in imprisonment for a term up to six months or a fine up to ₹ 500 or both.

The Ministry of Labour and Employment have *vide* Office Memorandum dated June 17, 2014 proposed certain amendments to the Minimum Wages Act, 1948 which include the revision of the minimum wages payable to the employees at intervals of not exceeding 5 years due to the rise in the Consumer Price Index; All scheduled employments need not be individually represented in the Advisory Boards/Committees/Sub-Committees.

Workmen's Compensation Act, 1923

The Workmen's Compensation Act, 1923 ("**WCA**") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

Payment of Bonus Act, 1965

Pursuant to the Payment of Bonus Act, 1965, as amended (the "**Bonus Act**"), an employee in a factory or in any establishment where 20 or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year is eligible to be paid a bonus.

Contravention of the provisions of the Bonus Act by a company is punishable with imprisonment for a term of up to six months or a fine of up to ₹ 1,000 or both, against persons in charge of, and responsible to our Company for the conduct of the business of our Company at the time of contravention.

Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972, as amended (the "**Gratuity Act**"), an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement or resignation, superannuation or death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed ₹ 350,000.

An employee in a factory is said to be 'in continuous service' for a certain period notwithstanding that his service has been interrupted during that period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee. The employee is also deemed to be in continuous service if the employee has worked (in an establishment that works for at least six days in a week) for at least 240 days in a period of 12 months or 120 days in a period of six months immediately preceding the date of reckoning.

Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 (the "**ESI Act**") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 (the "**EPF Act**") provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of employees in factories and other establishments. A liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above.

Trade Unions Act, 1929

The legislation regulating these trade unions is the Indian Trade Unions Act, 1926. The Act deals with the registration of trade unions, their rights, their liabilities and responsibilities as well as ensures that their funds are utilised properly. It gives legal and corporate status to the registered trade unions. It also seeks to protect them from civil or criminal prosecution so that they could carry on their legitimate activities for the benefit of the working class. The Act is applicable not only to the union of workers but also to the association of employers.

According to the Trade Unions Act, 1926, 'trade union' means "any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or

between workmen and workmen or between employers and employers, or for imposing restrictive conditions on the conduct of any trade or business, and includes any federation of two or more trade unions.

The registered trade unions are required to submit annual statutory returns to the Registrar regarding their membership, general funds, sources of income and items of expenditure and details of their assets and liabilities, etc

As per the Trade Union (Amendment) Act, 2001 a trade union will be registered only if at least ten per cent or one hundred of the workmen, whichever is less, engaged or employed in the establishment or industry with which it is connected are the members of such Trade Union on the date of making of application for registration and not less than seven persons as its members, who are workmen engaged or employed in the establishment or industry with which it is connected

Shops and Commercial Establishments Acts, 1953

The Shops and Establishments Act, 1953 was enacted to provide statutory obligation and rights to employees and employers in the unorganized sector of employment, i.e. shops and establishments. It is applicable to all persons employed in an establishment with or without wages, except the members of the employer's family. It is a State legislation and each State has framed its own rules for the Act.

The State Government can exempt, either permanently or for a specified period, any establishments from all or any provisions of this Act. The Act provides for compulsory registration of shop/ establishment within thirty days of commencement of work and all communications of closure of an establishment within 15 days from its closing. It also lays down the hours of work per day and week as well as the guidelines for spread-over, rest interval, opening and closing hours, closed days, national and religious holidays, overtime work, etc.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Overview

Our Board currently consists of (6) Directors. Our senior management team is under the overall supervision and control of our Board, and is responsible for our day-to-day operations. Our Articles of Association provide that the number of directors shall not be less than three or more than 12 excluding Alternate Directors. Further, our Articles of Association provides that one-third of the strength of the Board of Directors shall be liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office at every AGM. A retiring Director shall be eligible for re-appointment.

The Companies Act, 2013, provides that not less than two-thirds of the total number of directors, excluding the independent directors, shall be liable to retire by rotation. One-third of the directors shall automatically retire every year at the annual general meeting and shall be eligible for re-appointment. The directors to retire by rotation shall be decided based on those who have been longest in office, and as between persons appointed on the same day, the same shall be decided by mutual agreement or by draw of lots. The independent directors may be appointed for a maximum of two terms of up to five consecutive years; however, such directors are eligible for re-appointment after the expiry of three years of ceasing to be an independent director (whether or not each term is for a period of five years) provided that such directors are not, during the three year period, appointed in or associated with our Company in any other capacity, either directly or indirectly. Any reappointment of independent directors, inter alia, shall be on the basis of performance evaluation report and requires the approval of the shareholders by way of a special resolution. None of the Directors on the Board of Directors of our Company are members of more than ten committees or chairman of more than five committees across all the public companies in which they are directors.

Our Board of Directors

The following table sets forth details regarding the Board as on the date of this Placement Document:

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age (in years)	Other Directorships
1.	**Nishith Arora** **Address:** B-80, Sector-31, Noida, 201 303, Uttar Pradesh, India **Designation:** Chairman and Managing Director (Executive and Non-Independent Director) **Occupation:** Business **DIN:** 00227593 **Term:** April 19, 2012 to April 18, 2015 **Nationality**: Indian	57	i ADI BPO Services Limited; and ii ADI Media Private Limited.
2.	**Darius E. Udwadia** **Address:** Empress Court, 142, M-Karve Road, Mumbai, 400 020, Maharashtra, India **Designation:** Vice Chairman and Director (Non-Executive and Independent) **Occupation:** Professional **DIN:** 00009755	75	i ABB Limited; ii Astra Zeneca Pharma India Limited; iii The Bombay Burmah Trading Corporation Limited; iv The Bombay Gymkhana Limited; v Conservation Corporation of India Private Limited; vi Concast (India) Limited; vii ITD Cementation India Limited; viii JM Financial Limited ix JM Financial Products Limited x WABCO India Limited

	Term: May 22, 2014 to May 21, 2019 **Nationality**: Indian		xi Habasit Lakoka Private Limited; xii JM Financial Trustee Company Private Limited; xiii Quantum Advisors Private Limited; xiv Rossi Gearmotors (India) Private Limited; and xv SCA Hygiene Products India Private Limited.
3.	**Rahul Arora** **Address:** B-80, Sector-31, Gautam Budh Nagar, Noida, 201303, Uttar Pradesh, India **Designation:** Whole Time Director *(Executive and Non-Independent Director) and Chief Marketing Officer **Occupation:** Service **DIN:** 05353333 **Term:** August 12, 2013 to August 11, 2018 and liable to retire by rotation **Nationality**: Indian	30	i ADI BPO Services Limited
4.	**Yamini Tandon** **Address:** 9/407, Heritage City, Gurgaon – 122 001, Haryana, India **Designation:** Whole Time Director** (Executive and Non-Independent Director) and Vice President – Service Delivery **Occupation:** Service **DIN:** 06937633 **Term:** August 11, 2014 to August 10, 2019 and liable to retire by rotation **Nationality**: Indian	29	NIL
5.	**Ashish Dalal** **Address:** Pallav Bungalow, 1st floor, Near Lallubhai Park, Andheri (West), Mumbai, 400 058, Maharashtra, India **Designation:** Director (Non-Executive Director and Independent Director) **Occupation:** Professional **DIN:** 00024632 **Term:** May 22, 2014 to May 21, 2019	58	NIL

	Nationality: Indian		
6.	**Vijay Sood** **Address:** CG 401 B, Laburnum, Sushant Lok, Sector - 28, Gurgaon, 122 002, Haryana, India **Designation:** Director (Non-Executive Director and Independent Director) **Occupation:** Professional **DIN:** 01473455 **Term:** May 22, 2014 to May 21, 2019 **Nationality**: Indian	56	i Taurus Asset Management Company Limited; ii HB Stockholdings Limited; and iii Apical Capital Advisors Private Limited.

** Since Rahul Arora was not residing in India for a period of 12 months prior to his appointment, our Company has made an application dated March 11, 2015 to the Ministry of Corporate Affairs seeking their approval for appointment as a Whole Time Director. As on the date of this Placement Document, the said application is pending.*

***Since Yamini Tandon was not residing in India for a period of 12 months prior to her appointment, our Company has made an application dated November 06, 2014 to the Ministry of Corporate Affairs seeking their approval for appointment as a Whole Time Director. As on the date of this Placement Document, the said application is pending.*

Brief Profiles

Mr. Nishith Arora

Mr. Nishith Arora, 57 years of age, is the Chairman and Managing Director of our Company. Mr. Arora holds a Bachelor‘s degree in Arts and Economics from Delhi University and a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. Mr. Arora has completed a three year Owner President Management program at Harvard Business School, United States of America. Mr. Arora has been awarded with ―Amity Leadership Award 2009” by Amity Business School, for sectoral excellence in publishing and typesetting in his capacity as a Director of ADI Media Private Limited. Mr. Arora is the promoter and director of ADI BPO Services Limited, our corporate Promoter. Mr. Arora joined our Company as Additional Director on December 07, 2011, and now as the Chairman and Managing Director of our Company is sphere heading the entire operations under the supervision of the Board.

Mr. Darius E. Udwadia,

Mr. Darius E. Udwadia, 75 years of age, is the Vice Chairman and an Independent Director of our Company. Mr. Udwadia has been on the Board of our Company as an Independent Director since November 29, 1994. Mr. Udwadia holds a Bachelor‘s degree in Law and a Master‘s degree in Arts from Mumbai University. He is enrolled as an Advocate with the Bar Council of Maharashtra and Goa and also been admitted as Solicitor by the Bombay Incorporated Law Society. Mr. Udwadia is the founding partner of the law firm M/s. Udwadia Udeshi & Argus Partners and previously was a partner in M/s. Crawford Bayley & Co. He has experience in the areas of corporate and commercial laws, joint ventures, mergers, acquisitions and takeovers, project and infrastructure finance, intellectual property, finance related transactions, real – estate.

Mr. Rahul Arora

Mr. Rahul Arora, 30 years of age, is a Whole Time Director and Chief Marketing Officer of our Company. He holds a Bachelor‘s in Science from Babson College, USA and has also completed a Post Graduate Programme in Management from the Indian School of Business, Hyderabad. Mr. Rahul Arora has been associated with our Company since August 12, 2013. Prior to joining our Company, he was associated with Gallup Consulting and was awarded as ―Most Valuable Player” in the year 2011. Mr. Arora has over a decade of entrepreneurial experience of scaling business and as the Chief Marketing Officer of our Company. Mr. Rahul Arora is

responsible for driving revenue growth for the organization and leading marketing efforts, with support from teams in the USA, UK, and India.

Ms. Yamini Tandon

Ms. Yamini Tandon, 29 years of age, is a Whole Time Director and Vice President – Service Delivery of our Company. Ms. Tandon holds a Bachelor‘s degree in Arts (Political Science) from University of Delhi and a Post Graduate Diploma in Business Management with specialization in Marketing and Strategy from Indian School of Business, Hyderabad. Ms. Tandon has been associated with our Company as Whole Time Director, since August 11, 2014. Ms. Tandon is presently responsible for our Company‘s overseas operation of school education business and content development business.

Mr. Ashish Dalal

Mr. Ashish Dalal, 58 years of age, is an Independent and Non-Executive Director of our Company. Mr. Dalal is a fellow member of the Institute of Chartered Accountants of India and a practising chartered accountant. Mr. Dalal is associated with our Company as an independent director since October 29, 2010. Mr. Dalal has experience in acting as consultant/ advisor for mergers and acquisitions, strategic alliance, business valuations, specialised investigations, due diligences, foreign collaborations and joint ventures. Mr. Dalal has also acted as advisor for many cross border transactions.

Mr. Vijay Sood

Mr. Vijay Sood, 56 years of age, is an Independent and Non-Executive Director of our Company. Mr. Sood holds a Bachelor‘s degree in Arts in Economics, Delhi University and a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. Mr. Sood has also completed an Advance Management Program in General Management from the Wharton School, University of Pennsylvania. Mr. Sood is a member of the Institute of Cost Accountants of India. Mr. Sood is associated with our Company as an independent director since January 17, 2012. Mr. Sood has experience in banking, financial services and corporate sector.

Relationship with other Directors

Except for Rahul Arora, who is the son of Nishith Arora, and Yamini Tandon, who is the wife of Rahul Arora and daughter-in-law of Nishith Arora, none of our other Directors are related to each other.

Borrowing powers of the Board of Directors

In terms of the Articles of Association, the Board may, subject to the provisions of Sections 179 and 180 of the Companies Act, 2013, from time to time at its discretion, by a resolution passed at a meeting of the Board, generally raise or borrow or secure the payment of any sum or sums of money for our Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the bankers of our Company in the ordinary course of business) exceed the aggregate of the paid-up capital of our Company and its free reserves, not being reserves set apart for any specific purpose, the Board shall not borrow such moneys without the consent of shareholders in a general meeting.

Interest of our Directors

All our Executive Directors may be deemed to be interested to the extent of the remuneration, annual bonus and performance linked bonus paid to them for their services rendered to our Company. Our Non – Executive Directors may be deemed to be interested to the extent of annual commission and sitting fee paid to them for attending each meeting of the Board or committees thereof as well as to the extent of reimbursement of expenses incurred by them.

Our Directors, including independent Directors, may also be regarded as interested in the Equity Shares, if any, held by them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares. Our Directors may be deemed to be interested in the contracts, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners.

Except as otherwise stated in this Placement Document, our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Placement Document in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements or arrangements which are proposed to be made with them.

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested. Further, our Company has not availed any loans from the Directors which are currently outstanding.

For further details, see the chapter titled ***–Financial Statements – Related Party Transactions***" beginning on page 156.

Shareholding of Directors

As on February 28, 2015, except for Vijay Sood who is holding 9,731 Equity Shares aggregating to 0.06 per cent, none of our other Directors are holding shares of our Company.

Terms of appointment of our Executive and Whole Time Directors

Nishith Arora – Chairman and Managing Director

Nishith Arora has been appointed as the Chairman and Managing Director for a period of 3 years from April 19, 2012 to April 18, 2015 pursuant to the shareholder's resolution dated August 03, 2012. Below are the details of the remuneration being paid to him as per the service agreement dated August 04, 2012 entered into with him:

Category	Particulars
Salary	a) Basic salary - ₹ 3,50,000 per month or such other sum not exceeding ₹ 5,00,000 per month as may be determined by the Board from time to time at its discretion b) Bonus – 20% of salary as applicable to other employees of our Company c) Annual Performance Bonus – not exceeding 15 months salary as the Board may determine in its discretion; provided that the total amount of remuneration payable to him shall not exceed 5% of the net profit.
Other allowances	a) (i) The use of a furnished residential accommodation taken on lease or on leave and licenses basis by our Company, the cost of which would be ₹ 200,000 per month or such other sum not exceeding 60% of salary as may be determined by the Board from time to time at its discretion, (ii) reimbursement by our Company of all charges in connection with gas, electricity, water, maintenance and furnishing at his residence, if he stays in a leased accommodation hired by our Company. The expenditure incurred by our Company shall be valued as per the Income Tax Rules, 1962 for the time being in force. b) In the event he decides to stay at an accommodation arranged by him, he shall be entitled to house rent allowance at 60% of the basic salary. c) Special allowance of ₹ 140,000 per month. d) Reimbursement of medical expenses actually incurred by him and his family in accordance with the rules of our Company for the time being in force, which is currently ₹ 15,000 per annum. e) Leave travel concession for him and his family in accordance with the rules of our Company for the time being in force. f) Membership of two clubs, the monthly subscription thereto being borne and paid by our Company. g) The benefit of a personal accident insurance policy effected by our Company, the premium not to exceed ₹ 15,000 per annum as per the rules of our Company. h) The benefit of the group mediclaim policy effected by our Company, as per the rules of our Company the premium not to exceed a half month's salary per annum.
Perquisites	a) The use of a telephone for business purposes at his residence, the rent, call charges and other outgoings in respect thereof being paid by our Company, save and except for personal long distance calls which shall be billed by our Company to and payable by him directly. b) The use of two chauffeur driven motorcars for business purposes, all expenses for running and upkeep of such motorcar as also the salary of the chauffeur being borne

	and paid by our Company, use of motorcar for personal purposes shall be billed by our Company to him. c) The benefit of our Company's provident fund scheme in accordance with the rules of the scheme for the time being in force, subject to the condition that our Company's contribution thereto shall not exceed 12% of his salary as laid down in the Income Tax Rules, 1962 for the time being in force. d) Gratuity at the rate of 15 days salary for each completed year of service as managing director. e) The benefit of our Company's superannuation scheme in accordance with the rules of the scheme for the time being in force provided that our Company's contribution hereto together with our Company's contribution to the provident fund shall not exceed 27% of his salary as laid down in the Income Tax Rules, 1962 for the time being in force. f) Leave on full remuneration as per the rules of our Company for the time being in force. In case of leave not availed he shall be entitled to encash the same at the end of his tenure. g) Casual and sick leave on full remuneration including all the benefits in accordance with the rules of our Company for the time being in force. h) Reimbursement of travelling and entertainment expenses reasonably incurred by him exclusively for the business of our Company and approved by the Board.

Rahul Arora - Whole Time Director and Chief Marketing Officer

Rahul Arora has been appointed as a Whole Time Director for a period of 5 years from August 12, 2013 to August 11, 2018 pursuant to the Shareholder's resolution dated August 08, 2014. Below are the details of the remuneration being paid to him as per the said Shareholder's resolution:

Category	Particulars
Salary	While working from USA, he will be entitled to the following salary: a) Basic salary - USD 9,500 per month aggregating to USD 114,000 per annum, with such annual increment as the Board may at its discretion decide. b) Bonus – He is eligible for a Performance Bonus in accordance with our Company's Performance Linked Bonus Scheme (based on his appraisal) up to USD 36,000 per annum as the Board may at its discretion decide.
Employee Benefit while working from USA	i) He will be entitled to all employee benefits as per US law applicable to other employees of the US branch including insurance and leave, which in aggregate shall not exceed USD 20,000.
Salary	While working from India, he will be entitled to the following salary effective from February 1, 2014: Salary: ₹ 2,15, 688 per month aggregating to ₹ 25,99,000 including leave travel assistance) with such increments as the Board may at its discretion determine;
Other allowances	While working from India, he will be entitled to the following with effect from February 1, 2014: 1. Drivers salary, Petrol reimbursement and Food pass reimbursements per month ₹ 23,500 per month aggregating to ₹ 2,82,000 per annum at present as per rules of our Company; 2. Annual Fixed Bonus ₹ 2,34,200 per annum to be paid as per rules of our Company; 3. Aggregate perquisites ₹ 2,36,452 per annum at present including contribution to Provident Fund, Gratuity Fund and car perquisite value as per rules of our Company; 4. Annual Performance Bonus ₹ 16,00,000 per annum or such amount as the Board may at its discretion decide. 5. Total aggregate remuneration will be ₹ 49,51,692 at present and will be subject to review year on year as may be determined by the Board.

Yamini Tandon - Whole Time Director and Vice President – Service Delivery

Yamini Tandon has been appointed as a Whole Time Director for a period of 5 years from August 11, 2014 to August 10, 2019 pursuant to the resolution dated August 08, 2014 passed by the Board of Directors of our Company. The shareholders of our Company *vide* a resolution passed through postal ballot results announced on March 13, 2015, approved the appointment of Yamini Tandon, subject to the approval of the Central Government, if any. Below are the details of the remuneration being paid to her as per the Shareholder's resolution:

Category	Particulars (per annum)
Salary	Total salary - ₹ 2,46,115 per month, aggregating to ₹ 29,53,380 per annum, with such annual increments as the Board of Director of our Company may its discretion decide
Performance Bonus	In accordance with our Company's "Performance Linked Bonus Scheme" (PLB) (based on her appraisal) up to ₹ 3,00,000 per annum, as the Board may its discretion determine and shall be paid annual fixed bonus of ₹ 2,04,240 per annum as per rules of our Company, both included in the total salary
Other allowances	Perquisite aggregating to ₹ 1,71,636 per annum at present including contribution to provident fund, gratuity fund and car perquisite value as per rules of our Company, included in total salary; Provided that the total amount of remuneration payable shall not exceed 5 % of net profits of our Company
Employee benefits	All employee benefits as per law/rules applicable to other employees of our Company including insured sum assured not exceeding ₹ 2,00,000 for group madiclaim policy and ₹ 5,00,000 for group personal accidental and privilege leave encashment once in a tenure not exceeding 60 days as per leave policy of our Company.

Remuneration of our Directors

The remuneration, fixed annual bonus and performance linked bonus given by our Company to its Executive Directors in the Fiscal 2015 (till February 28, 2015), Fiscal 2014, Fiscal 2013 and Fiscal 2012 is stated below:

(₹in Lacs)

Financial Year	Total Remuneration	Total Annual Bonus	Total Performance Linked Bonus
Fiscal Year 2015 (till February 28, 2015)			
Nishith Arora	141.21	8.40	48.13
Rahul Arora	44.60	2.15	14.67
Yamini Arora	16.13	1.77	2.75
Fiscal 2014			
Nishith Arora	157.79	8.40	50.40
Rahul Arora	48.98	0.52	12.62
Fiscal 2013			
Nishith Arora	152.44	2.10	44.92
Rajiv Seth*	31.42	-	-
Fiscal 2012			
Rajiv Seth	166.26	9.86	41.50

**Rajiv Seth resigned from the Board with effect from April 18, 2012.*

Independent Directors' Commission and Sitting Fees

Our non-executive Directors are paid remuneration consisting of sitting fees determined by the Board. Our Company pays sitting fee of ₹ 80,000 for each meeting of our Board, ₹ 80,000 for each meeting of the Audit Committee and ₹ 60,000 for each meeting of Stakeholder Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Investment Committee and QIP Committee.

The following table sets forth details of commission and sitting fees paid by our Company to the current Non-Executive Directors for the current Fiscal 2015 (till February 28, 2015), Fiscal 2014, Fiscal 2013 and Fiscal 2012:

(₹in Lacs)

Financial Year	Total Sitting Fees	Total Commission
Fiscal Year 2015 (till February 28, 2015)		
Darius E. Udwadia	7.00	-
Ashish Dalal	5.60	-
Vijay Sood	7.80	-
Fiscal 2014		
Darius E. Udwadia	2.60	21.73
Ashish Dalal	2.40	20.06
Vijay Sood	2.60	21.73
Fiscal 2013		
Darius E. Udwadia	2.20	14.02
Ashish Dalal	2.20	14.02
Vijay Sood	2.20	14.02
Fiscal 2012		
Darius E. Udwadia	4.00	2.98
Ashish Dalal	3.60	2.68
Vijay Sood	0.60	0.45
A Contractor*	0.80	0.60

**A Contractor resigned from the Board with effect from July 12, 2011.*

Corporate Governance

Our Company is required to comply with applicable corporate governance requirements, including the Listing Agreements with the Stock Exchanges and the SEBI ICDR Regulations in respect of the constitution of the Board and committees thereof. The corporate governance framework of our Company is based on an effective, independent Board of Directors, separation of the supervisory role of the Board of Directors from the executive management team and proper constitution of the committees of the Board of Directors, as required by law.

The Board of Directors function either as a full Board or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board of Directors with detailed reports on the performance of our Company periodically.

The Board of Directors presently consists of six Directors with one Executive Chairman and Managing Director, two Whole-Time Directors and three Non-Executive, Independent Directors.

Committee of the Board of Directors

Our Board of Directors presently has six committees which have been constituted in accordance with the relevant provisions of the Companies Act and the Listing Agreement: (i) Audit Committee, (ii) Nomination and Remuneration Committee, (iii) Stakeholders Relationship Committee, (iv) Corporate Social Responsibility Committee, (v) Investment Committee and (vi) QIP Committee.

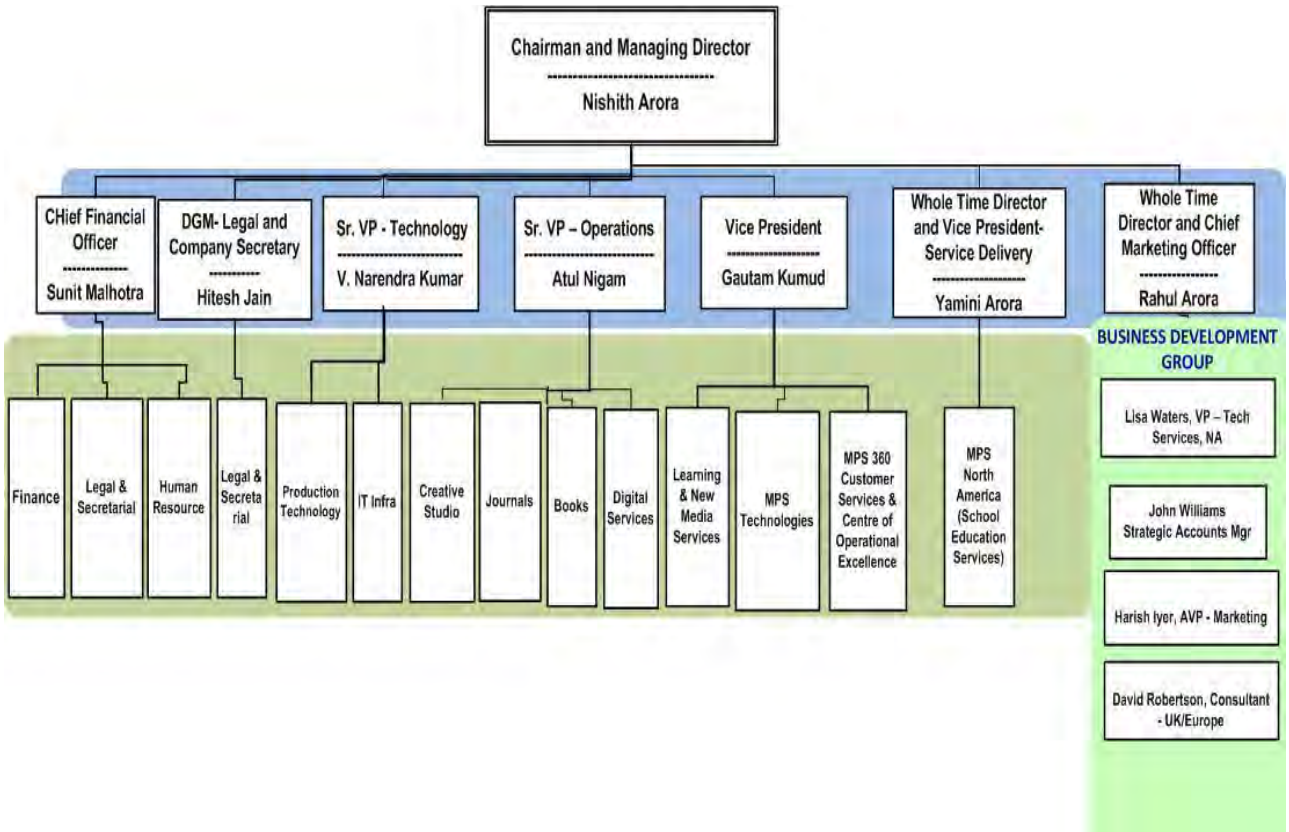
The following table sets forth the details of the members of the aforesaid committees:

Committee	Members
Audit Committee	Vijay Sood (Chairman); Darius E. Udwadia; and Nishith Arora.
Nomination and Remuneration Committee	Darius E. Udwadia (Chairman); Ashish Dalal; Vijay Sood; and Nishith Arora.
Stakeholders Relationship Committee	Ashish Dalal (Chairman); and Nishith Arora.
Corporate Social Responsibility	Nishith Arora (Chairman);

Committee	Vijay Sood; and Rahul Arora.
Investment Committee	Nishith Arora (Chairman); and Vijay Sood Sunit Malhotra*
QIP Committee	Nishith Arora (Chairman); Vijay Sood; and Rahul Arora.

**Non board member.*

ORGANIZATION STRUCTURE



Senior Managerial Personnel

Under the provisions of the Companies Act, 2013, the management of the whole of the affairs of a company is entrusted to a managing director who exercises his powers subject to the superintendence, control and direction of the board of directors.

The table below sets out the names of our senior managerial personnel and their current responsibilities:

Name	Designation	Date of joining of our Company
Sunit Malhotra	Chief Financial Officer	November 16, 2012.
Hitesh Jain*	Deputy General Manager – Legal and Company Secretary and Compliance Officer	October 16, 2014.
Gautam Kumud	Vice President	August 16, 2005.
Atul Nigam	Senior Vice President – Operations	June 20, 2001.
V. Narendra Kumar	Senior Vice President – Technology	July 1, 2001.

**Appointed as Company Secretary and Compliance Officer with effect from October 29, 2014.*

All the senior managerial personnel are permanent employees of our Company.

Interests of Senior Managerial Personnel

Our senior managerial personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them and to the extent of the Equity Shares held by them or their dependents in our Company, if any.

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the senior managerial personnel are interested. The perquisites and allowances that may be payable to the senior managerial personnel of our Company are in accordance with our Company‘s human resources policies. Except as disclosed above, our senior managerial personnel are not entitled to any other non-salary related amount or benefit.

Shareholding of Senior Managerial Personnel

As on the date of this Placement Document, none of the senior managerial personnel hold any Equity Shares in our Company.

Related Party Transactions

Related party transactions entered by our Company during the last three Financial Years are determined in accordance with Accounting Standard 18 issued by the ICAI. For further details, see the chapter titled ***Financial Statements – Related Party Transactions***" beginning on page 156.

Loans to Directors and Senior Managerial Personnel

As on the date of this Placement Document, there are no amounts which are due to our Company, from any of its Directors or senior managerial personnel in the nature of loans and advances. Our Company has not given any guarantees in favour of any Director or any senior managerial personnel.

Policy on disclosure and internal procedure for prevention of insider trading

Our Company has implemented a code of conduct for prevention of insider trading in accordance with the SEBI Prohibition of Insider Trading Regulations.

Other Confirmations

Except as stated above in ***Interest of our Directors***" and ***Interests of Senior Managerial Personnel***", none of our Directors or any senior managerial personnel of our Company has any financial or other material interest in this Issue.

PRINCIPAL SHAREHOLDERS

The table below represents the shareholding pattern of our Company in accordance with clause 35 of the Listing Agreement, as on December 31, 2014:

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Bodies Corporate	1	1,26,16,996	1,26,16,996	75.00	75.00	0	0.00
Sub Total A(1)	**1**	**1,26,16,996**	**1,26,16,996**	**75.00**	**75.00**	**0**	**0.00**
(2) Foreign							
Total shareholding of Promoter Group (A)	**1**	**1,26,16,996**	**1,26,16,996**	**75.00**	**75.00**	**0**	**0.00**
(B) Public Shareholding							
(I) Institutions							
Mutual Funds/ UTI	3	20,091	20,091	0.12	0.12	0	0.00
Financial Institutions / Banks	2	4,730	4,730	0.03	0.03	0	0.00
c. Foreign Institutional Investors	3	13,853	13,853	0.08	0.08	0	0.00
Sub Total B(1)	**8**	**38,674**	**38,674**	**0.23**	**0.23**	**0**	**0.00**
(2) Non-Institutions							
Bodies Corporate	311	3,64,895	3,64,895	2.17	2.17	0	0.00
Individuals							
(i) Individual Shareholders holding Nominal Share Capital upto ₹1 Lakh	6,690	22,23,443	21,94,323	13.22	13.22	0	0.00
(ii) Individual Shareholders holding Nominal Share	43	10,04,564	10,04,564	5.97	5.97		

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
Capital in excess of ₹1 Lakh						0	0.00
Any other (Specify)	**526**	**5,74,096**	**5,74,096**	**3.41**	**3.41**	**0**	**0.00**
Clearing Members	29	6,469	6,469	0.04	0.04	0	0.00
Hindu Undivided Family	314	3,52,081	3,52,081	2.09	2.09	0	0.00
Non- Resident Indians	182	2,05,815	2,05,815	1.22	1.22	0	0.00
Directors & their Relatives & Friends	1	9,731	9,731	0.06	0.06	0	0.00
Sub Total B	**7570**	**41,66,998**	**41,37,878**	**24.77**	**24.77**	**0**	0.00
Total Public Shareholding (B)	**7578**	**42,05,672**	**41,76,552**	**25.00**	**25.00**	**0**	**0.00**
TOTAL (A) + (B)	**7579**	**1,68,22,668**	**1,67,93,548**	**100.00**	**100.00**	**0**	**0.00**
(C) Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00	0	0.00
(1) Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
(2) Public	0	0	0	0.00	0.00	0	0.00
Sub Total C	0	0	0	0.00	0.00	0	0.00
Grand Total (A) + (B) + (C)	**7,579**	**1,68,22,668**	**1,67,93,548**	**0.00**	**100.00**	**0**	**0.00**

Notes:

1. For determining public shareholding for the purpose of Clause 40A.
2. For definitions of Promoter and Promoter Group, refer to Clause 40A.
3. Public shareholding

The following table contains information as on December 31, 2014 concerning persons belonging to the Promoter and Promoter Group category:

Sr. No. (I)	Name of the Shareholder (II)	Details of Shares held	Encumbered shares (*)	Total Shares (including underlying shares assuming full

		No. of Shares held (III)	As a % of (A+B+C) (IV)	Number of shares (V)	As a % (VI) = (V)/ (III) *100	As a % of Grand Total (A+B+C)	conversion of warrants and Convertible securities) as a % of diluted share capital
1.	ADI BPO Services Limited	1,26,16,996	75.00	0	0.00	0.00	75.00
	Total	**1,26,16,996**	**75.00**	**0**	**0.00**	**0.00**	**75.00**

*** The term encumbrances has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011.**

The following table contains information as on December 31, 2014 concerning each person in the ―Public" category, who hold more than 1% or more of the Total number of Shares:

Sr. No.	Name of the Shareholder	No. of Shares held	Shares as % of Total No. of Shares	Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
1.	NIL	0	0.00	0.00
	Total	**0**	**0.00**	**0.00**

The following table contains information as on December 31, 2014 concerning persons (together with PAC) belonging to the category ―Public" and holding more than 5% of the total number of Equity Shares:

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	No. of Shares held	Shares as % of Total No. of Shares	Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
1	NIL	0	0.00	0.00
	Total	**0**	**0.00**	**0.00**

The table below represents the detail of locked in shares:

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a (%) percentage of total number of shares {i.e, Grand Total (A)+(B)+(C) Indicated in Statement at para (I)(a) above}	Promoter/Promoter Group/Public
1.	NIL		0.00	-
	Total		**0.00**	**-**

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, bidding, payment, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of the same from our Company or the BRLM. Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the BRLM and their respective directors, officers, agents, advisors, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the BRLM and their respective directors, officers, agents, advisors, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares. Investor is advised to inform themselves of any restrictions or limitations that may be applicable to them. See the chapters titled ***"Distribution and Solicitation Restrictions"*** *and* ***"Transfer Restrictions"*** *beginning on pages 122 and 131, respectively.*

Qualified Institutions Placement

The Issue is being made to QIBs in reliance upon Chapter VIII of the SEBI ICDR Regulations and Private Placement Provisions, through the mechanism of a QIP. Under Chapter VIII of the SEBI ICDR Regulations and Private Placement Provisions, a company may issue equity shares to QIBs provided that certain conditions are met by our Company. Certain of these conditions are set out below:

- the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must specify (a) that the allotment of securities is proposed to be made pursuant to the QIP; and (b) the Relevant Date;

- equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution;

- the aggregate of the proposed issue and all previous QIPs made by the issuer in the same financial year does not exceed five times the net worth (as defined in the SEBI ICDR Regulations) of the issuer as per the audited balance sheet of the previous financial year;

- the issuer shall be in compliance with the minimum public shareholding requirements set out in the SCRR;

- the issuer shall have completed allotments with respect to any prior offer or invitation made by the issuer or shall have withdrawn or abandoned any prior invitation or offer made by the issuer;

- the issuer shall offer to each Allottee at least such number of the securities in the issue which would aggregate to at least ₹ 20,000 calculated at the face value of the securities;

- the offer must be made through a private placement offer letter and an application form serially numbered and addressed specifically to the QIB to whom the offer is made and is sent within 30 days of recording the names of such QIBs;

- the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the issue is prohibited

At least 10% of the equity shares issued to QIBs must be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to mutual funds remains unsubscribed, it may be allotted to other QIBs.

Prospective purchasers will be deemed to have represented to us and the BRLM in order to participate in the Issue that they are outside the United States and purchasing the Equity Shares in an offshore transaction in accordance with Regulation S and the applicable laws of the jurisdictions where those offers and sales occur. For further details, please refer to the chapters titled ***"Distribution and Solicitation Restrictions"*** and ***"Transfer Restrictions"*** beginning on pages 122 and 131, respectively.

Bidders are not allowed to withdraw their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class of the Equity Shares of the Issuer quoted on the stock exchange during the two weeks preceding the Relevant Date. However, a discount of up to 5% of the Floor Price is permitted in accordance with the provisions of the SEBI ICDR Regulations.

The ―Relevant Date" referred to above, for Floor Price, will be the date of the meeting in which the Board of Directors or any committee duly authorised by the Board of Directors decides to open the Issue and ―stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such equity shares has been recorded during the two weeks immediately preceding the Relevant Date.

Our Company has applied for and received the in-principle approval of the Stock Exchanges under Clause 24 (a) of its Listing Agreements for the listing of the Equity Shares on the Stock Exchanges. Our Company has also delivered a copy of the Preliminary Placement Document to the Stock Exchanges and this Placement Document to each of the Stock Exchanges.

Our Company shall also make the requisite filings with the RoC and SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

The Issue has been authorized by (i) the Board pursuant to a resolution passed on January 29, 2015, and (ii) the shareholders of our Company, *vide* a special resolution passed pursuant to Sections 42 and 62(1)(c) of the Companies Act through postal ballot results announced on March 13, 2015.

The Equity Shares will be Allotted within 12 months from the date of the shareholders' resolution approving the QIP and within 60 days from the date of receipt of subscription money from the successful Bidders. For details of refund of application money, please see the chapter titled ***―Issue Procedure – Pricing and Allocation – Designated Date and Allotment of Equity Shares"*** beginning on page 118.

The Equity Shares issued pursuant to the QIP must be issued on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information including the information specified in Schedule XVIII of the SEBI ICDR Regulations and the requirements prescribed under Form PAS-4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014. The Preliminary Placement Document and this Placement Document are private documents provided to only select investors through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors.

The minimum number of allottees for each QIP shall not be less than:

two, where the issue size is less than or equal to ₹ 25,000 Lacs; and

five, where the issue size is greater than ₹ 25,000 Lacs.

No single allottee shall be allotted more than 50 % of the issue size.

QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee. For details of what constitutes ―same group" or ―common control", please see the chapter titled ***―Issue Procedure—Application Process—Application Form"*** beginning on page 116**.**

Securities allotted to a QIB pursuant to a QIP shall not be sold for a period of one year from the date of allotment except on the floor of a recognised stock exchange in India. Allotments made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements.

The Equity Shares offered hereby have not been and will not be registered under the U.S. Securities Act or registered, listed or otherwise qualified in any other jurisdiction outside India, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales occur. For a description of certain restrictions on transfer of the Equity Shares, please see ***"Transfer Restrictions***" beginning on page 131.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. Our Company and BRLM shall circulate serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to the QIBs and the Application Form will be specifically addressed to such QIBs. In terms of Section 42(7) of the Companies Act, 2013, our Company shall maintain complete records of the QIBs to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC and SEBI within the stipulated time period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

2. The list of QIBs to whom the Bid-cum-Application Form is delivered shall be determined by our Company in consultation with the BRLM. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form is addressed to a particular QIB, no invitation to subscribe shall be deemed to have been made to such QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. Our Company shall intimate the Bid/Issue Opening Date to the Stock Exchanges.

3. QIBs may submit an Application Form, including any revisions thereof, during the Bidding Period to the BRLM.

4. Bidders will be required to indicate the following in the Application Form:

   - name of the QIB to whom Equity Shares are to be Allotted;
   - number of Equity Shares Bid for;
   - price at which they are agreeable to subscribe for the Equity Shares, provided that QIBs may also indicate that they are agreeable to submit a Bid at "Cut-off Price"; which shall be any price as may be determined by our Company in consultation with the BRLM at or above the Floor Price or the Floor Price net of such discount as approved in accordance with SEBI ICDR Regulations;
   - details of the depository account(s) to which the Equity Shares should be credited; and
   - a representation that it is outside the United States at the time it places its buy order for the Equity Shares, it is acquiring the Equity Shares in an offshore transaction in reliance on Regulation S and it has agreed to certain other representations set forth in the chapter titled ***"Representations by Investors***" and ***"Transfer Restrictions***" beginning on pages 4 and 131, respectively, of this Placement Document, and it has agreed to certain other representations made in the Application Form.

Note: **Each sub-account of an FII other than a sub-account which is a foreign corporate or a foreign individual will be considered as an individual QIB and separate Application Forms would be required from each such sub-account for submitting Bids.**

5. Once a duly completed Application Form (including the revision of bids) is submitted by a QIB, such Application Form constitutes an irrevocable offer and cannot be withdrawn after the Issue Closing Date. The Issue Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

6. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

7. Upon receipt of the Application Form, after the Issue Closing Date, our Company shall determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue in consultation with the BRLM. Upon determination of the final terms of the Equity Shares, the BRLM will send the serially numbered CAN along to the QIBs who have been Allocated the Equity Shares. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the QIB to pay the entire Issue Price for all the Equity Shares Allocated to such QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the QIB and payment instructions including the details of the amounts payable by the QIB for Allotment of the Equity Shares in its name and the Pay-In Date as applicable to the respective QIB. Please note that the Allocation will be at the absolute discretion of our Company and will be based on the recommendation of the BRLM.

8. Pursuant to receiving a CAN, each successful Bidder shall be required to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price, only through electronic transfer to our Company‘s designated bank account by the Pay-In Date as specified in the CAN sent to the respective successful Bidder.

9. No payment shall be made by successful Bidder in cash. Please note that any payment of application money for the Equity Shares shall be made from the bank accounts of the relevant QIBs applying for the Equity Shares. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application. Pending Allotment, all monies received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013.

10. Upon receipt of the application monies from the QIBs, our Company shall Allot Equity Shares as per the details in the CANs sent to the successful Bidder. Our Company and BRLM will circulate serially numbered copies of the Placement Document to the successful Bidders and will intimate the details of the Allotment to the Stock Exchanges.

11. After passing the resolution for Allotment and prior to crediting the Equity Shares into the depository participant accounts of the successful Bidders, our Company shall apply to the Stock Exchanges for listing approvals. Our Company will intimate to the Stock Exchanges the details of the Allotment and apply for approvals for final listing of the Equity Shares on the Stock Exchanges prior to crediting the Equity Shares into the beneficiary account maintained with the Depository Participant by the successful Bidder.

12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the Depository Participant accounts of the respective Allottees.

13. Our Company will then apply for the final trading approvals from the Stock Exchanges.

14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

15. Upon receipt of intimation of final trading and listing approval from the Stock Exchanges, our Company shall inform the Allottees of the receipt of such approval. Our Company and the BRLM shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations are eligible to invest. Currently, under Regulation 2(1)(zd) of the SEBI ICDR Regulations, a QIB means:

- alternate investment funds registered with SEBI
- Eligible FPIs;
- foreign venture capital investors registered with SEBI;
- insurance companies registered with Insurance Regulatory and Development Authority;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Fund;
- pension funds with minimum corpus of ₹ 2,500 Lacs;
- provident funds with minimum corpus of ₹ 2,500 Lacs;
- public financial institutions as defined in Section 4A of the Companies Act, 1956 (Section 2(72) of the Companies Act, 2013);
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and
- venture capital funds registered with SEBI;

FIIs (other than a sub-account which is a foreign corporate or a foreign individual) and Eligible FPIs are permitted to participate through the portfolio investment scheme under Schedule 2 and Schedule 2A of FEMA 20, respectively, in this Issue. FIIs and Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA 20, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the shareholders of our Company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA 20, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. FPI‘s investing in this Issue should ensure that they are eligible under the applicable law or regulation to apply in this Issue.

Allotments to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements.

Under Regulation 86(1)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, or any person related to, the Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoter:

- rights under a shareholders' agreement or voting agreement entered into with the Promoter or persons related to the Promoter;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoter.

Our Company and the BRLM are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Code, and the QIB shall be solely responsible for compliance with the provisions of the Takeover Code, SEBI (Prohibition of Insider Trading) Regulations, 1992 and other applicable laws, rules, regulations, guidelines and circulars.

A minimum of 10% of the Equity Shares in the Issue shall be allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion (or part thereof not so taken up) may be allotted to other QIBs.

Application Process

Application Form

QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the BRLM in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the QIB will be deemed to have made the following representations and warranties and the representations, warranties and agreements made under the chapters titled "***Notice to Investors***", "***Representations by Investors***", "***Distribution and Solicitation Restrictions***" and "***Transfer Restrictions***" beginning on pages 2, 4, 122 and 131, respectively:

1. The QIB confirms that it is a QIB in terms of Regulation 2(1)(zd) of the SEBI ICDR Regulations and is not excluded under Regulation 86 of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The QIB confirms that it is not a Promoter and is not a person related to the Promoter, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter or Promoter Group or persons related to the Promoter;

3. The QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or persons related to the Promoter, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoter;

4. The QIB acknowledges that it has no right to withdraw its Application after the Issue Closing Date;

5. The QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

6. The QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

7. The QIB confirms that its Bids would not eventually result in triggering a tender offer under the Takeover Code;

8. The QIB confirms that to the best of its knowledge and belief, the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50 per cent of the Issue Size. For the purposes of this representation:

   - The expression ‗belong to the same group' shall derive meaning from the concept of ‗companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and

   - ‗Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Code;

9. The QIBs shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

10. The QIB confirms that it is purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S and it shall not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India. It also confirms all other applicable representations and warranties included under chapter titled ***Notice to Investors***", ***Representations by Investors***", ***Distribution and Solicitation Restrictions***" and ***Transfer Restrictions***" beginning at pages 2, 3, 123 and 132, respectively.

QIBS MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, PERMANENT ACCOUNT NUMBER, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. FOR THIS PURPOSE, ELIGIBLE SUB ACCOUNTS OF AN FII WOULD BE CONSIDERED AS AN INDEPENDENT QIB.

IF SO REQUIRED BY THE BRLM, THE QIB SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLM TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLM, COLLECTION BANK(S) OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE QIB SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by a QIB shall be deemed a valid, binding and irrevocable offer for the QIB to pay the entire Issue Price for the Equity Shares (as indicated by the CAN) and becomes a binding contract on the QIB upon issuance of the CAN by our Company in favour of the QIB.

Bids by Mutual Funds

The bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. Each scheme/fund of a mutual fund registered with SEBI, will have to submit separate Application Form.

Each mutual fund will have to submit separate Application Forms for each of its participating schemes. Such applications will not be treated as multiple bids provided that the bids clearly indicate the scheme for which the bid has been made. However, for the purpose of calculating the number of allotters/applicants, various schemes of the same mutual fund will be considered as a single allottee/applicant.

The above information is given for the benefit of the Bidders. We and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Placement Document. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under the applicable laws and regulations.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for. All Application Forms duly completed along with payment and a copy of the PAN card or PAN allotment letter shall be submitted to the BRLM either through electronic form or through physical delivery at the following address:

Name	*Address*	*Contact Person*	*Contact Details*
Emkay Global Financial Services Limited	7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400 028	Rajesh Ranjan Deepak Yadav	**Tel** : +91 22 66121212 **Mobile:** +91 93249 22212 **Fax**: +91 22 66121299 **Email:** qip.mps@emkayglobal.com

The BRLM shall not be required to provide any written acknowledgement of receipt of the Application Form.

Permanent Account Number or PAN

Each QIB should mention its PAN allotted under the IT Act in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. QIBs should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Pricing and Allocation

Build-up of the Book

The QIBs shall submit their Bids (including the revision of bids) within the Bidding Period to the BRLM. Such Bids cannot be withdrawn after the Issue Closing Date. The book shall be maintained by the BRLM.

Price Discovery and Allocation

Our Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than five per cent on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations.

After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the BRLM on a discretionary basis and in compliance with Chapter VIII of the SEBI ICDR Regulations. Bids received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand.

The Allocation to all such QIBs will be made at the Issue Price. Allocation shall be decided by us in consultation with the BRLM on a discretionary basis. Allocation to Mutual Funds for up to a minimum of 10 % of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLM IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL QIBS. QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR

COMPANY IN CONSULTATION WITH THE BRLM AND QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BRLM ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on the Application Forms received, our Company, in consultation with the BRLM, in their sole and absolute discretion, shall decide the successful Bidder to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of such Equity Shares in their respective names shall be notified to such successful Bidder. Additionally, a CAN will include details of the relevant Escrow Cash Account into which such payments would need to be made, address where the application money needs to be sent, Pay-In Date as well as the probable designated date, being the date of credit of the Equity Shares to the respective successful Bidder‘s account.

The successful Bidders would also be sent a serially numbered CAN either in electronic form or by physical delivery. The dispatch of the serially numbered CAN to the QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to furnish all details that may be required by Company and the BRLM and to pay the entire Issue Price for all the Equity Shares Allocated to such QIB.

QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

Bank Account for Payment of Application Money

Our Company has opened an escrow bank account; the ―MPS Limited – QIP Escrow Account” with Kotak Mahindra Bank Limited in terms of the arrangement among our Company, the BRLM and Kotak Mahindra Bank Limited as escrow bank. The QIB will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-In Date as mentioned in, and in accordance with, the respective CAN.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheques are liable to be rejected.

If the payment is not made favoring ―MPS Limited – QIP Escrow Account” within the time stipulated in the CAN, the Application Form and the CAN of the QIB are liable to be cancelled. Pending Allotment, our Company undertakes to utilise the amount deposited in ―MPS Limited – QIP Escrow Account” only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of application money if our Company is not able to Allot Equity Shares in the Issue.

In case of cancellations or default by the QIBs, our Company, the BRLM has the right to reallocate the Equity Shares at the Issue Price among existing or new QIBs at their sole and absolute discretion.

Designated Date and Allotment of Equity Shares

The Equity Shares will not be Allotted unless the QIBs pay the amount payable as mentioned in the CAN issued to them to the ―MPS Limited – QIP Escrow Account” as stated above. The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. Post the Allotment, the Allottees would be sent a serially numbered Placement Document either in electronic form or by physical delivery.

Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever. Post the Allotment and credit of Equity Shares into the QIBs‘ Depository Participant accounts, our Company will apply for final trading and listing approvals from the Stock Exchanges.

In the case of QIBs who have been Allotted more than five (5) per cent of the Equity Shares in the Issue, our Company shall disclose the name and the number of the Equity Shares Allotted to such QIB to the Stock Exchanges and the Stock Exchanges will make the same available on their website.

The Escrow Bank shall release the monies lying to the credit of the Escrow Cash Account to our Company after Allotment of Equity Shares to QIBs.

In accordance with the Companies Act, 2013, in the event that our Company is unable to issue and Allot the Equity Shares offered in the Issue or there is a cancellation of the Issue within 60 days from the date of receipt of application money from a successful Bidder, our Company shall repay the application money within 15 days from expiry of 60 day period, failing which our Company shall repay that money to such successful Bidders with interest at the rate of 12 per cent per annum from expiry of the 60th day.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the BRLM, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company and the BRLM in relation to the rejection of Bids shall be final and binding.

Equity Shares in Dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in the Issue shall be only in dematerialized form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode). A QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL. The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLM will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the QIBs.

Release of funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the " MPS Limited – QIP Escrow Account" till such time, that it receives an instruction in pursuance to the Escrow Agreement, along with the Listing approval of the Stock Exchanges for the Equity Shares offered in the Issue.

PLACEMENT

Placement Agreement

The BRLM has entered into a placement agreement with us (the "**Placement Agreement**"), pursuant to which the BRLM has agreed to procure, on a reasonable efforts basis, QIBs to subscribe for Equity Shares to be issued pursuant to the Issue, pursuant to Chapter VIII of the SEBI ICDR Regulations and applicable provisions of the Companies Act and Rules made thereunder.

The Placement Agreement contains customary representations and warranties as well as indemnities from us and is subject to certain conditions and termination provisions contained therein.

Applications will be made to list the Equity Shares and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies in India and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or to any class of investors other than QIBs.

In connection with the Issue, the BRLM (or their affiliates) may, for their own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLM may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the BRLM may purchase Equity Shares and be allocated Equity Shares.

Lock-up

Our Company has agreed that it will not, without the prior written consent of the BRLM (which such consent shall not be unreasonably withheld), for the period commencing from the date of the Placement Agreement and ending 90 days from the Closing Date, directly or indirectly: (a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; or (c) publicly announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise.

Our Promoters have agreed that without the prior written consent of the BRLM (which such consent shall not be unreasonably withheld), it will not, during the period commencing from the date of the Placement Agreement and ending 90 days after the date of allotment of the Issue Shares, directly or indirectly: (a) sell, lend, pledge, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; or (c) publicly announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise; provided however that the foregoing restrictions will (i) not be applicable to any pledge or mortgage of the Equity Shares already existing on the date of the Placement Agreement or transfer of such existing pledge or mortgage; and (ii) not restrict the existing shareholders of our Company from acquiring or purchasing any Equity Shares in our Company, directly or indirectly, in accordance with and subject to applicable laws.

DISTRIBUTION AND SOLICITATION RESTRICTIONS

The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Persons who come into possession of this Placement Document or any other offering material relating to the Equity Shares are advised to take legal advice with regard to any restrictions that may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or sale in any circumstances in which such offer or sale is not authorized or permitted.

GENERAL

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Placement Document or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations. Each purchaser of the Equity Shares in the Issue will be required to make, or be deemed to have made, as applicable, the acknowledgments and agreements as described under ―***Transfer Restrictions***".

India

This Placement Document may not be distributed, directly or indirectly, in India or to residents of India and any Equity Shares may not be offered or sold, directly or indirectly, in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to eligible QIBs. This Placement Document is neither a public issue nor a prospectus under the Companies Act or an advertisement and should not be circulated to any person other than to whom the offer is made.

Australia

This Placement Document is not a disclosure document under Chapter 6D or Part 7.9 of the Corporations Act 2001 of the Commonwealth of Australia (the ―Australian **Corporations Act"),** has not been and will not be lodged with the Australian Securities and Investments Commission (the ―ASIC") as a disclosure document for the purposes of the Australian Corporations Act and does not purport to include the information required of a disclosure document under the Australian Corporations Act. ASIC has not reviewed this Placement Document or commented on the merits of investing in the Equity Shares, nor has any other Australian regulator.

No offer of the Equity Shares is being made in Australia, and the distribution or receipt of this Placement Document in Australia does not constitute an offer of securities capable of acceptance by any person in Australia, except in the limited circumstances described below relying on certain exemptions in the Corporations Act. Accordingly,

(i) the offer of the Equity Shares in Australia under this Placement Document may only be made to those select persons who are able to demonstrate that they are ―Wholesale Clients" for the purposes of Chapter 7 of the Australian Corporations Act and fall within one or more of the following categories: ―Sophisticated Investors" that meet the criteria set out in Section 708(8) of the Australian Corporations Act, ―Professional Investors" who meet the criteria set out in Section 708(11) and as defined in Section 9 of the Australian Corporations Act, experienced investors who receive the offer through an Australian financial services licensee where all of the criteria set out in section 708(10) of the Australian Corporations Act have been satisfied or senior managers of the Company (or a related body, including a subsidiary), their spouse, parent, child, brother or sister, or a body corporate controlled by any of those persons, as referred to in section 708(12) of the Australian Corporations Act; and

(ii) this Placement Document may only be made available in Australia to those persons who are able to demonstrate that they are within one of the categories of persons as set forth in clause (i) above.

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive Placement

Document, advertisement or other offering material relating to any of the Equity Shares may be distributed in Australia except where disclosure to investors is not required under Chapter 6D or Chapter 7 of the Australian Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. As any offer of the Equity Shares under this Placement Document will be made without disclosure in Australia under the Australian Corporations Act, the offer of those Equity Shares for resale in Australia within 12 months may, under sections 707 or 1012C of the Australian Corporations Act, require disclosure to investors under the Australian Corporations Act if none of the exemptions in the Australian Corporations Act apply to that resale.

Accordingly, any person who acquires the Equity Shares pursuant to this Placement Document should not, within 12 months of acquisition of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Australian Corporations Act or unless a complaint disclosure document is prepared and lodged with the Australian Securities and Investments Commission. Any person who accepts an offer of the Equity Shares under this Placement Document must represent that, if they are in Australia, they are such a person as set forth in clause (i) above and acknowledge the restrictions on the on-sale of the Equity Shares set out above.

The provisions that define the exempt categories of person as set forth in clause (i) above are complex, and, if you are in any doubt as to whether you fall within one of these categories, you should seek appropriate professional advice regarding those provisions. This Placement Document is intended to provide general information only and has been prepared without taking into account any particular person's objectives, financial situation or needs. Investors should, before acting on this information, consider the appropriateness of this information having regard to their personal objectives, financial situation or needs. Investors should review and consider the contents of this Placement Document and obtain financial advice specific to their situation before making any decision to make an application for the Equity Shares.

Belgium

The Equity Shares may not be distributed in Belgium by way of an offer of securities to the public, as defined in Article 3 §1 of the Belgian Law of June 16, 2006 on public offerings of investment W-28 instruments and the admission of investment instruments to trading on regulated markets (the **"Prospectus Law")**, save in those circumstances set out in Article 3 §2 of the Prospectus Law.

This offering is exclusively conducted under applicable private placement exemptions and therefore it has not been and will not be notified to, and this Placement Document or any other offering material relating to the Equity Shares has not been and will not be approved by, the Belgian Banking, Finance and Insurance Commission (**"Commission bancaire, financière et des assurances/Commissie voor het Bank-, Financie- en Assurantiewezen").**

Accordingly, this offering may not be advertised and the BRLM has represented, warranted and agreed that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Equity Shares, and that it has not distributed, and will not distribute, any memorandum, information circular, brochure or any similar documents, directly or indirectly, to any individual or legal entity in Belgium other than:

(i) qualified investors, as defined in Article 10 of the Prospectus Law;

(ii) investors required to invest a minimum of €50,000 (per investor and per transaction); and

(iii) in any other circumstances set out in Article 3 §2 of the Prospectus Law.

This Placement Document has been issued only for the personal use of the above qualified investors and exclusively for the purpose of this offering. Accordingly, the information contained herein may not be used for any other purpose nor disclosed to any other person in Belgium.

Denmark

The Equity Shares have not been offered or sold and will not be offered, sold or delivered directly or indirectly in Denmark by way of a public offering, unless in compliance with the Danish Securities Trading Act, Consolidation Act No. 843 of September 7, 2005, as amended from time to time, and any orders issued thereunder.

Dubai International Financial Centre

This Placement Document relates to an exempt offer (an "**Exempt Offer**") in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "**DFSA**"). This Placement Document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it. The Equity Shares to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered should conduct their own due diligence on the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorized financial adviser. For the avoidance of doubt, the Equity Shares are not interests in a "fund" or a "collective investment scheme" within the meaning of either the Collective Investment Law (DIFC Law No. 2 of 2010) or the Collective Investment Rules Module of the Dubai Financial Services Authority Rulebook.

European Economic Area

This Placement Document has been prepared on the basis that the Issue will be made pursuant to an exemption under the Prospectus Directive as implemented in member states of the European Economic Area ("**EEA**") from the requirement to produce and publish a prospectus which is compliant with the Prospectus Directive, as so implemented, for offers of the Equity Shares. Accordingly, any person making or intending to make any offer within the EEA or any of its member states (each, a "Relevant **Member State")** of the Equity Shares which are the subject of the Allotment referred to in this Placement Document must only do so in circumstances in which no obligation arises for the Company or the BRLM to produce and publish a prospectus which is compliant with the Prospectus Directive, including Article 3 thereof, as so implemented for such offer. For EEA jurisdictions that have not implemented the Prospectus Directive, all offers of the Equity Shares must be in compliance with the laws of such jurisdictions. None of the Company or the BRLM has authorized, nor do they authorize, the making of any offer of the Equity Shares through any financial intermediary, other than offers made by the BRLM, which constitute a final Allotment of the Equity Shares.

In relation to each Relevant Member State, each BRLM has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date"**), it has not made and will not make an offer of the Equity Shares which are the subject of the Issue contemplated by this Placement Document to the public in that Relevant Member State other than:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) to fewer than 100 natural or legal persons or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive subject to obtaining the prior consent of the BRLM nominated by the Company for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of the Equity Shares shall result in a requirement for the publication by the Company or the BRLM of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as such expression may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. For the purposes of this provision, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Each subscriber for, or purchaser of, the Equity Shares in the Issue is located within a Relevant Member State will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the

meaning of Article 2(1)(e) of the Prospectus Directive. The Company, BRLM and their affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgment and agreement.

France

This Placement Document has not been prepared in the context of a public offering of financial securities in France within the meaning of Article L. 411-1 of the French Code *monétaire et financier* and Title I of Book II of the *Règlement Général of the Autorité des Marchés Financiers* (the ―**AMF**") and, therefore, has not been approved by, registered or filed with the AMF and does not require a prospectus to be submitted for approval to the AMF. Consequently, the BRLM has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Equity Shares to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Placement Document or any other offering material relating to the Equity Shares and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers)* and/or (b) to qualified investors (*investisseurs qualifiés)* acting on their own account, as defined in, and in accordance with, Articles L.411-2, D.411-1, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French Code monétaire et financier. No re-transfer, directly or indirectly, of the Equity Shares in France, other than in compliance with applicable laws and regulations and in particular those relating to a public offering (which are, in particular, embodied in articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 and seq. of the French Code *monétaire et financier)* shall be made.

Germany

This Placement Document has not been prepared in accordance with the requirements for a sales prospectus under the German Securities Prospectus Act (*Wertpapierprospektgesetz),* the German Sales Prospectus Act (*Verkaufsprospektgesetz),* or the German Investment Act (*Investmentgesetz).* Neither the German Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin)* nor any other German authority has been notified of the intention to distribute the Equity Shares in Germany. The Equity Shares may therefore not be distributed in the Federal Republic of Germany by way of public offering, public advertising or in a similar manner. The Equity Shares are being offered and sold in Germany only to (i) qualified investors in the meaning of Section 3, paragraph 2 no. 1, in connection with Section 2, no. 6, of the German Securities Prospectus Act, or (ii) a limited number of individualized, unqualified investors that are being preselected and specifically addressed. This Placement Document is strictly for use of the person who has received it. It may not be forwarded to other persons or published in Germany.

Hong Kong

The Equity Shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to ―professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a ―prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to ―professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Ireland

The Equity Shares may be publicly offered and sold in Ireland only in accordance with the European Communities (Transferable Securities and Stock Exchange) Regulations 1992, if applicable, the Investment Intermediaries Act 1995, as amended, the Companies Acts 1963 to 2003 and all other applicable Irish laws and regulations. This Placement Document does not constitute an offer to the public in Ireland by virtue of the fact that it shall only be made to persons in Ireland whose ordinary business is to buy or sell shares or debentures (whether as principal or agent) and, accordingly, has not been registered with the Registrar for Companies in Ireland. By accepting delivery of this Placement Document, the addressee in Ireland warrants that it is a person

whose ordinary business, whether as principal or agent, is to buy and sell shares and debentures. This Placement Document does not and shall not be deemed to constitute an invitation to individuals (*i.e.,* natural persons) in Ireland to purchase Equity Shares. There will be no offering to the public in Ireland of the Equity Shares and this Placement Document does not constitute a prospectus within the meaning of the Irish Companies Acts 1963 to 2003.

Italy

The offering of the Equity Shares has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("CONSOB") pursuant to Italian securities legislation and, accordingly, the BRLM has represented and agreed that it has not offered, sold or distributed, and will not offer, sell or distribute any Equity Shares or any copy of this Placement Document or any other offer document in the Republic of Italy ("Italy") except:

(i) to qualified investors (*investitori qualificati),* pursuant to Article 100 of Legislative Decree no. 58 of February 24, 1998 (the "Consolidated Financial Services Act" and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of May 14, 1999 (the "CONSOB Regulation"), all as amended; or

(ii) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Consolidated Financial Services Act and Article 34-ter of the CONSOB Regulation;

(iii) moreover, and subject to the foregoing, any offer, sale or delivery of the Equity Shares or distribution of copies of this Placement Document or any other document relating to the Equity Shares in Italy under (i) or (ii) above must be:

a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Services Act, Legislative Decree No. 385 of September 1, 1993 (the "Banking Act"), CONSOB Regulation No. 16190 of October 29, 2007, all as amended;
b) in compliance with Article 129 of the Banking Act and the implementing guidelines, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and
c) in compliance with any securities, tax, exchange control and any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time, inter alia, by CONSOB or the Bank of Italy.

Any investor purchasing the Equity Shares in the Issue is solely responsible for ensuring that any offer or resale of the Equity Shares it purchased in the Issue occurs in compliance with applicable laws and regulations. This Placement Document and the information contained herein are intended only for the use of its recipient and are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in Italy other than the original recipients of this document may rely on it or its contents.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended; the "**FIEL**") and the BRLM has represented and agreed that it will not offer or sell any Equity Shares, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

Kuwait

The Issue has not been approved by the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry, nor has the Company received authorization or licensing from the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry to market or sell the Equity Shares within Kuwait. Therefore, no services relating to the offering, including the receipt of applications and/or the allotment of Equity Shares, may be rendered within Kuwait by the Company or persons representing the Company.

Luxembourg

The Equity Shares offered in this Placement Document may not be offered, sold or delivered to the public within the Grand Duchy of Luxembourg. This document is only intended for institutional investors. It is personal to each offeree and does not constitute an offer to any other person or to the public generally in Luxembourg to subscribe for or otherwise acquire the Equity Shares. Distribution of this Placement Document to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without prior written consent of the Company, is prohibited.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia pursuant to the Securities Commission Act, 1993 as the offer for purchase of, or invitation to purchase the Equity Shares is meant to qualify as an ―excluded offer or excluded invitation" within the meaning of Section 38 of the Securities Commission Act, 1993. The BRLM has severally represented, warranted or agreed that the Equity Shares will not be offered, sold, transferred or otherwise disposed, directly or indirectly, nor any document or other material in connection therewith distributed, in Malaysia, other than to persons falling within any one of the categories or person specified in Schedule 2 and/or Schedule 3 of the Securities Commission Act, 1993 who are also persons to whom any offer or invitation to purchase or sell would be an excluded offer or invitation within the meaning of Section 38 of the Securities Commission Act, 1993.

Norway

This Placement Document has not been approved by or registered with any Norwegian securities regulators pursuant to the Norwegian Securities Trading Act 1997. Accordingly, neither this Placement Document nor any other offering material relating to the Equity Shares constitutes, or shall be deemed to constitute, an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act 1997 and is only made to qualified professional investors pursuant to the Norwegian Regulation of December 9, 2005 regarding exemption from the obligation to publish a prospectus or otherwise only in circumstances where an exemption from the obligation to publish a prospectus under the Norwegian Securities Trading Act 1997 is available.

Qatar

This Placement Document does not, and is not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar. By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor persons representing the Company are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Neither the Company nor persons representing the Company are, by distributing this document, advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires Equity Shares pursuant to the Issue should note that the offer of Equity Shares is an offer to "Sophisticated Investors" (as defined in Article 11 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated October 4, 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated August 18, 2008 (the "**KSA Regulations**")) for the purposes of Article 9 of the KSA Regulations. The BRLM has represented, warranted and agreed that the offer of the Equity Shares will only be directed at Sophisticated Investors.

The offer of Equity Shares shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Equity Shares as a Sophisticated Investor may not offer or sell those Equity Shares to any person unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and (a) the Equity Shares are offered or sold to a Sophisticated Investor; (b) the price to be paid for the Equity Shares in any one transaction is equal to or exceeds Saudi Arabian Riyal 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Singapore

This Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore and the Equity Shares are offered pursuant to exemptions under Section 274 and Section 275 of the Securities and Futures Act, Chapter 289 of Singapore ("**Securities and Futures Act**"). Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor will the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the Securities and Futures Act or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Equity Shares are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Equity Shares under Section 275 of the Securities and Futures Act except:

- to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person, or any person pursuant to Section 275(1) or Section 275(1A) of the Securities and Futures Act, respectively, and
- where no consideration is given for the transfer; or
- by operation of law.

Spain

The Placement Document has not been registered with the Spanish Securities Market National Commission (*Comision Nacional del Mercado de Valores).* The Equity Shares may not be listed, offered or sold in Spain except in accordance with the requirements of the Spanish Security Market Act (*Ley 24/1988, de 28 de julio, del Mercado de Valores),* as amended, and as supplemented by Royal Decree 1310/2005 *(Real Decreto Ley 24/1988, de 28 de Julio, del Mercado de Valores, en materia de admission a negociación de valores en mercados secundarios oficilaes, de ofertas públicas or subscripción y del folleto exigible a tales efectos),* (the "Royal Decree 1310/2005"), and any other applicable provisions. The Equity Shares may not be listed, sold,

offered or distributed to persons in Spain except in compliance with the above-mentioned provisions and, particularly, pursuant to Sections 26 to 38 to 41 of Royal Decree 1320/2005, as amended.

Switzerland

The Equity Shares may be offered in Switzerland on the basis of a private placement, not as a public offering. The Equity Shares will neither be listed on the six Swiss Exchange nor are they subject to Swiss law. This Placement Document does not constitute a prospectus within the meaning of Art. 1156 of the Swiss Federal Code of Obligations or Arts. 32 *et seq.* of the Listing Rules of the six Swiss Exchange, and does not comply with the Directive for Equity Shares of Foreign Borrowers of the Swiss Bankers Association. We will not apply for a listing of the Equity Shares on any Swiss stock exchange or other Swiss regulated market and this Placement Document may not comply with the information required under the relevant listing rules. The Equity Shares have not and will not be registered with the Swiss Federal Banking Commission or any other Swiss authority for any purpose, whatsoever.

The Netherlands

The Equity Shares are not and may not be offered in the Netherlands other than to persons or entities who or which are qualified investors as defined in Section 1:1 Dutch Financial Supervision Act (*Wet op het financieel toezicht)* (which incorporates the term ―qualified investors" as used in the Prospectus Directive).

United Arab Emirates (excluding Dubai International Financial Centre)

The Equity Shares have not been, and are not being publicly offered, sold, promoted or advertised in the United Arab Emirates (―**U.A.E.**") other than in compliance with the laws of the U.A.E. Prospective investors in the Dubai International Financial Centre should have regard to the specific notice to prospective investors in the Dubai International Financial Centre set out above. The information contained in this Placement Document does not constitute a public offer of securities in the U.A.E. in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 of the U.A.E., as amended) or otherwise and is not intended to be a public offer.

The Company and the Equity Shares have not been approved or licensed by or registered with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other relevant licensing authorities or governmental agencies in the U.A.E. This Placement Document has not been approved by or filed with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or the Dubai Financial Services Authority. This Placement Document is being issued to a limited number of selected institutional and sophisticated investors, is not for general circulation in the U.A.E. and may not be provided to any person other than the original recipient or reproduced or used for any other purpose. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser. This Placement Document is provided for the benefit of the recipient only, and should not be delivered to, or relied on by, any other person.

United Kingdom

The BRLM has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (―**FSMA**")) received by it in connection with the issue or sale of the Equity Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

No person may communicate or cause to be communicated any invitation or inducement to engage in any investment activity (within the meaning of section 21 of FSMA) received by it in connection with the Issue or sale of the Equity Shares other than in circumstances in which section 21(1) of FSMA does not apply to the Company.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales occur. Each purchaser of the Equity Shares offered by this Placement Document will be deemed to have made the representations, agreements and acknowledgements as described under ***"Transfer Restrictions***" in this Placement Document.

TRANSFER RESTRICTIONS

The Equity Shares Allotted in the Issue are not permitted to be sold for a period of one year from the date of Allotment, except on the Stock Exchanges. Due to the following restrictions, investors are advised to consult legal counsel prior to making any resale, pledge or transfer of the Equity Shares, except if the resale of the Equity Shares is by way of a regular sale on the Stock Exchanges. Subject to the foregoing, by accepting this Placement Document and purchasing any Equity Shares under the Issue, you are deemed to have represented, warranted, acknowledged and agreed with the Company and the BRLM as follows:

- you have received a copy of the Preliminary Placement Document and such other information as you deem necessary to make an informed decision and that you are not relying on any other information or the representation concerning the Company or the Equity Shares and neither the Company nor any other person responsible for this document or any part of it or the BRLM will have any liability for any such other information or representation;

- you are purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S and you agree that you will not offer, sell, pledge or otherwise transfer such Equity Shares except in offshore transactions complying with Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India;

- you are authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

- you acknowledge (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges) that such Equity Shares have not been and will not be registered under the U.S. Securities Act;

- you certify that either (A) you are, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and are located outside the United States (within the meaning of Regulation S) or (B) you are a broker-dealer acting on behalf of your customer and your customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S); and

- the Company, the BRLM, their respective affiliates and others will rely upon the truth and accuracy of your representations, warranties, acknowledgements and undertakings set out in this document, each of which is given to (a) the BRLM on its own behalf and on behalf of the Company, and (b) to the Company, and each of which is irrevocable and, if any of such representations, warranties, acknowledgements or undertakings deemed to have been made by virtue of your purchase of the Equity Shares are no longer accurate, you will promptly notify the Company.

Any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognized by our Company.

INDIAN SECURITIES MARKET

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLM or any of their respective affiliates or advisors.

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities and Exchange Board of India Act, 1992, as amended (the "**SEBI Act**"), the Securities Contracts (Regulation) Act, 1956, as amended (the "**SCRA**") and the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"). On June 20, 2012, SEBI, in exercise of its powers under the SCRA and the SEBI Act notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the securities markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, foreign portfolio investors, credit rating agencies and other securities market participants have been notified by the SEBI.

Most of the stock exchanges have their own governing board for self regulation. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalization and trading activity.

With effect from April 1, 2003, the stock exchanges in India operate on a trading day plus two, or T+2, rolling settlement system. At the end of the T+2 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Wednesday. In order to contain the risk arising out of the transactions entered into by the members of various stock exchanges either on their own account or on behalf of their customers, the stock exchanges have designed risk management procedures, which include compulsory prescribed margins on the individual broker members, based on their outstanding exposure in the market, as well as stock-specific margins from the members.

Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI and the Listing Agreements of the respective stock exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in the securities of a listed company for a breach of or non compliance with, any of the conditions or breach of company's obligations under such Listing Agreement or for any reason. SEBI also has the power to amend such Listing Agreements and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Pursuant to an amendment dated June 4, 2010 to the SCRR, all listed companies (except public sector companies) are required to maintain a minimum public shareholding of at least 25 %. Any listed company which had public shareholding of less than 25% at the time of commencement of the amendment dated June 4, 2010 to the SCRR was required to increase its public shareholding to at least 25 % within a period of three years from the date of such commencement. The SCRR also provides that if the public shareholding in a listed company falls below 25 % at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall in the manner prescribed by the SEBI. Consequently, a listed company may be delisted from the stock exchanges for not complying with the minimum public shareholding requirement. Our Company is in compliance with this minimum public shareholding requirement.

Disclosures under the Companies Act, 2013 and Listing Agreements

Public limited companies are required under the Companies Act and the Listing Agreements to prepare, file with the registrar of companies and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance under the Companies Act, related party transactions and management‘s discussion and analysis as required under the Listing Agreement. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of its Listing Agreement with the relevant stock exchange.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered bymovement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier. With effect from October 1, 2013, the Stock Exchanges, shall on a daily basis translate the 10 %, 15 % and 20 % circuit breaker limits of market wide index variation based on the previous days‘ closing level of the index.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20 % movements either up or down for all scrips in the compulsory rolling settlement. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be maintained by the stockbrokers.

BSE

BSE was established in 1875 and is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. It has evolved over the years into its present status as one of the premier stock exchanges of India. Pursuant to the BSE (Corporatisation and Demutualisation) Scheme 2005 of the SEBI, with effect from August 19, 2005, the BSE was incorporated and is now a company under the Companies Act.

NSE

NSE was established by financial institutions and banks to serve as a national exchange and to provide nationwide online satellite-linked screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994.

Stock Market Indices

There are several indices of stock prices on NSE, which include the S&P CNX Nifty, CNX Nifty Junior, S&P CNX Defty, S&P CNX 500, CNX Midcap and CNX100. S&P CNX Nifty is a diversified 50 stock index

accounting for various sectors of the economy. It is used for a variety of purposes such as benchmarking fund portfolios, index based derivatives and index funds. S&P CNX Nifty is owned and managed by India Index Services and Products Limited (IISL), which is a joint venture between the NSE and CRISIL.

The two indices which are generally used in tracking the aggregate price movements on BSE are the Sensex and the BSE 100 Index. The BSE Sensitive Index, or the Sensex, consists of listed shares of 30 large market capitalization companies. The companies are selected on the basis of market capitalization, liquidity and industry representation. The Sensex was first compiled in 1986 with the fiscal year ended March 31, 1979. The BSE 100 Index (formerly the BSE National Index) contains listed shares of 100 companies, including the 30 in the Sensex, with 1983-1984 as the base year.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m. that has been introduced recently). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE Online Trading (BOLT) facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (NEAT), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route customer orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the ―equities" as well as the ―derivatives" segments of the NSE.

Takeover Code

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the ―**Takeover Code**"), which provides specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Code will apply to any acquisition of our Company's shares/voting rights/control. The Takeover Code prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Code mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Code also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Prohibition of Insider Trading Regulations

The SEBI (Prohibition of Insider Trading) Regulations, 1992 **("SEBI Prohibition of Insider Trading Regulations")** have been notified by SEBI to prohibit and penalize insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information.

The SEBI Prohibition of Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in our Company, and the changes therein. The definition of ―insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person reasonably expected to have access to unpublished price sensitive information in relation to securities of a company and who is or was connected with our Company or is deemed to have been connected with our Company.

Further, SEBI has notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 on January 15, 2015 for expanding the scope of connected persons, introducing new concepts such as generally available information and exemption for due diligence and streamlining disclosures. The notified regulations shall come into force on the one hundred and twentieth day from the date of its publication in the Official Gazette. Under the new rules, it is intended that a connected person is one who has a connection with our Company that is expected to put him in possession of unpublished price sensitive information. Immediate relatives and other categories of persons specified above are also presumed to be connected persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in a company but are in regular touch with our Company and its officers and are involved in the know of our Company‘s operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of unpublished price sensitive information.

Depositories

In August 1996, the Indian Parliament enacted the Depositories Act 1996 (the ―**Depositories Act**") which provides a legal framework for the establishment of depositories to record ownership details and effect transfers in electronic book-entry form. The SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants and the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term ―securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

Set forth below is certain information relating to our share capital, including a brief summary of some of the provisions of the Memorandum and Articles of Association, the Companies Act and certain related laws of India.

General

Our authorized capital is ₹ 20,00,00,000 divided into 2,00,00,000 Equity Shares of ₹ 10 each. As of the date of this Placement Document, 1,68,22,668 Equity Shares of ₹ 10 each were paid up and outstanding.

Dividend

Under the Companies Act, 2013, unless the board recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions specified in the Companies Act, 2013, no dividend can be declared or paid by a company for any financial year except out of the profits of our Company for that year determined in accordance with the provisions of the Companies Act, 2013 or out of the undistributed profits of previous Fiscal Years or out of both, arrived at in accordance with the provisions of the Companies Act, 2013, or out of money provided by the Central Government or a state Government for payment of dividend by our Company in pursuance of a guarantee given by that government. Pursuant to the Listing Agreements, listed companies are required to declare and disclose their dividends on per share basis only. The dividend recommended by the Board and approved by the shareholders at a general meeting is distributed and paid to shareholders in proportion to the paid-up value of their equity shares as at the record date for which such dividend is payable. In addition, the board may declare and pay interim dividends. Under the Companies Act, 2013, dividends can only be paid in cash to shareholders listed on the register of shareholders on the date which is specified as the ―record date" or ―book closure date". No shareholder is entitled to a dividend while unpaid calls on any of his equity shares are outstanding. Dividends must be paid within 30 days from the date of the declaration and any dividend that remains unpaid or unclaimed after that period must be transferred within seven days to a special unpaid dividend account held at a scheduled bank. Any money that remains unpaid or unclaimed for seven years from the date of such transfer must be transferred by our Company to the Investor Education and Protection Fund established by the Government and thereafter any claim with respect thereto will lapse.

Our Company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of our Company. The Companies Act, 2013 and the Companies (Declaration of Dividend) Rules, 2014, provide that if the profit for a year is insufficient, the dividend for that year may be declared out of free reserves, subject to certain conditions prescribed under those legislations.

Capitalization of Reserves

As provided in the Articles of Association of our Company, our Company in a general meeting (on recommendation of the Board) may resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of our Company's reserve accounts or to the credit of the profit and loss accounts or otherwise available for distribution; and that such sum be accordingly set free for distribution in the specified manner amongst the shareholders who would have been entitled thereto and distributed by way as such dividend and in the same proportion.

Any issue of bonus shares by a listed company would be subject to the guidelines issued by the SEBI. The relevant SEBI guidelines prescribe that no company shall, pending conversion of compulsorily convertible securities, issue any shares by way of bonus unless a similar benefit is extended to the holders of such compulsorily convertible securities, through a proportionate reservation of shares. Further, in order to issue bonus shares, a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption thereof and should have sufficient reason to believe that it has not defaulted in respect of any statutory dues of the employees. The declaration of bonus shares in lieu of a dividend cannot be made. A bonus issue may be made out of free reserves built out of genuine profits or share premium collected in cash and not from reserves created by revaluation of fixed assets.

The issue of bonus shares must take place within fifteen days from the date of approval by the board, if the Articles of Association of a company do not require such company to seek shareholders‘ approval for

capitalization of profits or reserves for making bonus issues. If a company is required to seek shareholders' approval for capitalization of profits or reserves for making bonus issues, then the bonus issue should be implemented within two months from the date of the board meeting wherein the decision to issue bonus shares was taken subject to shareholders' approval.

Pre-emptive Rights and Alteration of Share Capital

Subject to the provisions of the Companies Act, 2013, our Company can increase its share capital by issuing new equity shares. Such new equity shares must be offered to existing shareholders registered on the record date in proportion to the amount paid-up on those equity shares at that date. The offer shall be made by notice specifying the number of equity shares offered and the date (being not less than fifteen days and not exceeding thirty days from the date of the offer) after which the offer, if not accepted, will be deemed to have been declined. After such date the Board may dispose of the equity shares offered in respect of which no acceptance has been received, in such manner as they think is not disadvantageous to the shareholders and our Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares in favor of any other person provided that the person in whose favor such shares have been renounced is approved by the Board in their absolute discretion.

However, under the provisions of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014, new shares may be offered to any persons, whether or not those persons include existing shareholders or employees to whom shares are allotted under a scheme of employees stock options, either for cash or for consideration other than cash, if a special resolution to that effect is passed by the shareholders of our Company in a general meeting. The issue of the Equity Shares pursuant to the Issue has been approved by a special resolution of our Company's shareholders and such shareholders have waived their pre-emptive rights with respect to such Equity Shares.

Our Company's issued share capital may, among other things, be increased by the exercise of warrants attached to any of our Company's securities entitling the holder to subscribe for shares. The Articles of Association provide that our Company may consolidate or sub-divide our Company's share capital or cancel equity shares which have not been taken up by any person and diminish the amount of its share capital by the amount of the Shares so cancelled. Our Company can also alter its share capital by way of a reduction of capital, in accordance with the Companies Act, 2013.

General Meetings of Shareholders

Our Company must hold its annual general meeting each year within 15 months of the previous annual general meeting and within six months after the end of each accounting year. The RoC may extend this period in special circumstances at our Company's request. The Board may convene an extraordinary general meeting of shareholders when necessary and shall convene such a meeting at the request of a shareholder or shareholders holding in the aggregate not less than 10% of our Company's issued paid-up capital.

Written notices convening a meeting setting out the date and place of the meeting and its agenda must be given to members at least 21 days prior to the date of the proposed meeting and where any special business is to be transacted at the meeting an explanatory statement shall be annexed to the notice as required under the Companies Act, 2013. A general meeting may be called after giving shorter notice if consent is received, in writing or by electronic mode, from shareholders holding not less than 95% of our Company's paid-up capital.

A listed company intending to pass a resolution relating to matters such as, but not limited to, an amendment in the objects clause of the memorandum of association, a buy-back of shares under the Companies Act, 2013, the giving of loans or extending a guarantee in excess of limits prescribed under the Companies Act, 2013 is required to pass the resolution by means of a postal ballot instead of transacting the business in the general meeting of our Company. A notice to all the shareholders must be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of thirty days from the date of such notice. Shareholders may exercise their right to vote at general meetings or through postal ballot by voting through e-voting facilities in accordance with the circular dated April 17, 2014 issued by the SEBI and the Companies Act, 2013. Under the Companies Act, 2013, unless, the Articles of Association provide for a larger number: (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall

constitute a quorum for a general meeting of our Company. The quorum requirements applicable to shareholder meetings under the Companies Act, 2013 have to be physically complied with.

Voting Rights

At a general meeting upon a show of hands, every member holding shares and entitled to vote and present in person has one vote. Upon a poll, the voting rights of each Shareholder entitled to vote and present in person or by proxy is in the same proportion to such Shareholder‘s share of the paid-up equity capital of our Company.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favor of the resolution must be at least three times the votes cast against the resolution. The Companies Act, 2013 provides that to amend the Articles of Association of a company, a special resolution is required to be passed in a general meeting.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with us not later than 48 hours before the time of the meeting, or in case of a poll, not less than 24 hours before the time appointed for taking the poll. A shareholder may, by a single power of attorney, grant a general power of representation regarding several general meetings of shareholders. Any shareholder may appoint a proxy. A corporate shareholder is also entitled to nominate a representative to attend and vote on its behalf at general meetings. A proxy may not vote except on a poll and does not have a right to speak at meetings. A shareholder which is a legal entity may appoint an authorized representative who can vote in all respects as if a member both on a show of hands and a poll.

The Companies Act, 2013 allows our Company to issue shares with differential rights as to dividend, voting or otherwise, subject to certain conditions. In this regard, the law requires that for a company to issue shares with differential voting rights, our Company must have, *inter alia*, had distributable profits in terms of the Companies Act, 2013 for the last three financial years and our Company must not have defaulted in filing annual accounts and annual returns for the immediately preceding three financial years.

Register of Shareholders and Record Dates

Our Company is obliged to maintain a register and index of shareholders in terms of the Companies Act, 2013. our Company shall be entitled to keep in any State or country outside India a branch register of shareholders resident in that State or country. Our Company recognizes as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In the case of shares held in physical form, transfers of shares are registered on the register of shareholders upon lodgment of the share transfer form duly complete in all respects accompanied by a share certificate or, if there is no certificate, the letter of allotment in respect of shares transferred together with duly stamped transfer forms. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our Company‘s records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

For the purpose of determining the shareholders, the register may be closed for periods not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board may deem expedient in accordance with the provisions of the Companies Act, 2013. Under the Listing Agreements of the Stock Exchanges on which our Company‘s outstanding shares are listed, our Company may, upon at least seven working days‘ advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Under the Companies Act, 2013, our Company is also required to maintain a register of debenture holders and a register of any other security holders.

Annual Report and Financial Results

The annual report must be presented at the annual general meeting. The report includes financial information, a corporate governance section and management‘s discussion and analysis and is sent to our Company‘s shareholders.

Under the Companies Act, 2013, our Company must file its balance sheet and profit and loss account with the Registrar of Companies within thirty days from the date of the annual general meeting. The Companies Act, 2013 also requires listed companies to place their financial statements, including consolidated financial statements, if any, and all other documents required to be attached thereto, on their website. As required under the Listing Agreements, copies are required to be simultaneously sent to the Stock Exchanges on which the shares are listed. Our Company must also publish its financial results in at least one English language daily newspaper circulating in the whole or substantially the whole of India and also in a daily newspaper published in the language of the region of the Registered Office (*i.e.*, Tamil).

Transfer of Equity Shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with applicable SEBI ICDR Regulations. These regulations provide the regime for the functioning of the depositories and their participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownerships of shares held through a depository are exempt from stamp duty.

The SEBI requires that for trading and settlement purposes shares should be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange.

The securities of our Company are freely transferable, subject to the provisions of the Companies Act, 2013. If a public company without sufficient cause refuses to register a transfer of shares within thirty days from the date on which the instrument of transfer or intimation of transmission, as the case may be, is delivered to our Company, the transferee may appeal to our Company Law Board seeking to register the transfer. Our Company Law Board is proposed to be replaced with the National Company Law Tribunal with effect from a date that is yet to be notified.

Pursuant to the Listing Agreements, in the event that a transfer of shares is not effected within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, our Company is required to compensate the aggrieved party for the opportunity loss caused by the delay.

A transfer may also be by transmission. Subject to the provisions of the Articles of Association, any person becoming entitled to shares in consequence of the death or insolvency of any member may, upon producing such evidence as may from time to time properly be required by the Board, be registered as a member in respect of such shares, or may, subject to the regulations as to transfer contained in the Articles of Association, transfer such shares. The Articles of Association provide that our Company shall charge no fee for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or other similar document. No shares shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.

Acquisition by us of our own Equity Shares

A company is prohibited from acquiring its own shares unless the consequent reduction of capital is effected by an approval of at least 75% of its shareholders, voting on it in accordance with the Companies Act, 2013 and sanctioned by the High Court of competent jurisdiction (or the National Company Law Tribunal once it is notified). Subject to certain conditions, a company is prohibited from giving, whether directly or indirectly and whether by means of loan, guarantee, provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person for any shares in our Company or its holding company. However, pursuant to the Companies Act, 2013, a company has been empowered to purchase its own shares or other specified securities out of its free reserves, the securities premium account or the proceeds of any fresh issue of shares or other specified securities (other than the kind of shares or other specified securities proposed to be bought back) subject to certain conditions, including:

- the buy-back should be authorized by the Articles of Association of our Company;
- a special resolution has been passed in a general meeting authorizing the buy-back (in the case of listed companies, by means of a postal ballot);

- the buy-back is limited to 25% of the total paid-up capital and free reserves;
- the debt owed by our Company is not more than twice the capital and free reserves after such buy-back; and
- the buy-back is in accordance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations 1998, as amended.

A board resolution will constitute sufficient corporate authorization for a buy-back that is for less than 10% of the total paid-up equity capital and free reserves of our Company. A company buying back its securities is required to extinguish and physically destroy the securities so bought back within seven days of the last date of completion of the buy-back. Further, a company buying back its securities is not permitted to buy back any securities for a period of one year from the buy-back or to issue the same kind of shares or specified securities for six months subject to certain limited exceptions.

A company is also prohibited from purchasing its own shares or specified securities through any subsidiary company including its own subsidiary companies or through any investment company. Further, a company is prohibited from purchasing its own shares or specified securities, if our Company is in default in the repayment of deposit or interest, in the redemption of debentures or preference shares, in payment of dividend to a shareholder, in repayment of any term loan or interest payable thereon to any financial institution or bank or in the event of non-compliance with certain other provisions of the Companies Act, 2013.

Liquidation Rights

Subject to the rights of creditors, of employees and of the holders of any other shares entitled by their terms of issue to preferential repayment over the shares, in the event of winding up of our Company, the holders of the Equity Shares are entitled to be repaid the amounts of capital paid-up or credited as paid-up on such shares. All surplus assets after payments due to employees, the holders of any preference shares and other creditors belong to the holders of the Equity Shares in proportion to the amount paid-up or credited as paid-up on such shares, respectively at the commencement of the winding-up.

TAXATION

The information provided below sets out the possible tax benefits available to the shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares under the current tax laws presently in force in India. Several of these benefits are dependent on us or our shareholders fulfilling conditions prescribed under relevant tax laws. We may not choose to fulfill such conditions. This information is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares. Investors should note that a draft of the Direct Tax Code Bill has been placed before the Indian Parliament. If that law comes into effect, there could be an impact on the tax provisions mentioned below.

To
The Board of Directors

MPS Limited

Dear Sirs,

Sub: Possible tax Benefits available to MPS Limited and its Shareholders.

We hereby confirm that the enclosed annexure, states the possible tax benefits available to the MPS Limited (_the Company‘) and the shareholders of the Company under the Income Tax Act, 1961 (_Act‘) as amended and other direct laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business.

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company‘s management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express any opinion or provide any assurance whether:

- the Company or the shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been or would be met with; and
- The revenue authorities/courts will concur with the views expressed herein

for **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 015125N

Sd/-
Vijay Agarwal
Partner
Date: March 13, 2015.

Statement of Possible Tax Benefits Available to MPS Limited and its Shareholders

Outlined below are the possible tax benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2014-15.

(I) Tax benefits available under the Income Tax Act, 1961

A. Tax Benefits to the Company under the Act

A1. Special Tax Benefits to the Company under the Act
None

A2. Some of the general Income-tax laws applicable in context of a Company

- Business income

  The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. Unabsorbed Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 read with Section 71 of the Act.

- Capital gains

  (i) Computation of capital gains

  Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. All capital assets, being shares held in a company, or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or unit of mutual fund specified under Section 10(23D) of the Act or a zero coupon bond, held by a company for more than 12 months are considered to be long-term capital assets, capital gains arising from the transfer of which are termed as long-term capital gains (‗LTCG'). In respect of any other capital assets, the holding period should exceed 36 months to be considered as long-term capital assets.

  Short-term capital gains (‗STCG') means capital gains arising from the transfer of capital asset being shares held in a company, or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or unit of mutual fund specified under Section 10(23D) of the Act or a zero coupon bond, held by an company for 12 months or less.

  In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by a company for 36 months or less.

  LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund or a unit of business trust [which has been set up under a scheme of a mutual fund specified under Section 10(23D)] is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that Section. However, such income shall be taken into account in computing book profit under Section 115JB of the IT Act

  As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration. Further, expenditure incurred wholly and exclusively in connection with the transfer is also deductible.

  As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of

listed securities or a unit or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the company.

As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund or a unit of business trust (which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

STCG arising on sale of equity shares or units of equity oriented mutual fund or a unit of business trust (which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.

The tax rates mentioned above stands increased by surcharge, payable at the rate of 10% where the taxable income of a domestic company exceeds INR 100,000,000 and by 5% where the taxable income of a domestic company exceeds INR 10,000,000 but is less than INR 100,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1%, respectively, is payable by all categories of taxpayers.

As per provisions of Section 71 read with Section 74 of the Act, short-term capital loss arising during a year is allowed to be set-off against short-term as well as long-term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

As per provisions of Section 71 read with Section 74 of the Act, long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, shall be carried forward and set-off against long-term capital gains arising during subsequent eight assessment years.

The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

(ii) Exemption of capital gains from income tax

Under Section 54EC of the Act, capital gain arising from transfer of long-term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gains are invested within a period of six months from the date of transfer, in bonds redeemable after three years and issued by:

- National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
- Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long-term asset cannot exceed INR 5,000,000 whether made in the Financial Year when the asset or assets are transferred or in a subsequent financial year.

Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

- Securities Transaction Tax (STT)

As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head _Profit and gains of business or profession‘. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

- Dividends

As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. The Company distributing the dividend will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 10% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1%, respectively, on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend. Further, dividend distribution tax would be paid after grossing up the net distributed profits by the company.

Credit in respect of dividend distribution tax paid by a subsidiary of the Company could be available while determining the dividend distribution tax payable by the Company as per provisions of Section 115-O(1A) of the Act, if:

- the dividend is received from its domestic subsidiary and the subsidiary has paid the DDT payable on such dividend; or
- The dividend is received from a foreign subsidiary, the Company has paid tax payable under section 115BBD.

However, the same amount of dividend shall not be taken into account for reduction more than once

As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.

- As per provisions of Section 80G/80GGB of the Act, the Company is entitled to claim deduction of specified amount in respect of eligible donations and contributions to certain fund / charitable institutions and any political party, respectively, subject to the fulfillment of the conditions specified in that Section.
- As per the provisions of Section 115BBD of the Act, dividend received by an Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess). No deduction in respect of any expenditure or allowance shall be allowed to the Company under any provisions of the Act.

B. Tax Benefits to the shareholders of the Company under the Act

(a) Dividends exempt under Section 10(34) of the Act

As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the shareholders from the Company is exempt from tax.

(b) Capital gains

(i) Computation of capital gains

Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. All capital assets, being shares held in a company, or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or unit of mutual fund specified under Section 10(23D) of the Act or a zero coupon bond, held by an company for more than 12 months are considered to be long-term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed 36 months to be considered as long-term capital assets.

STCG means capital gains arising from the transfer of capital asset being a shares held in a company, or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or unit of mutual fund specified under Section 10(23D) of the Act or a zero coupon bond, held by an company for 12 months or less.

In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by a company for 36 months or less.

LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that Section.

As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration. Further, expenditure incurred wholly and exclusively with the transfer is also deductible.

In respect of a non-resident shareholder, as per the first proviso to Section 48 of the Act, the capital gains arising from the transfer of a capital asset being shares or debentures in an Indian company, shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of consideration into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains so computed shall be reconverted into Indian currency

Further, the benefit of indexation as provided in second proviso to Section 48 is not available to nonresident shareholders.

As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20%.

If such tax payable on LTCG on transfer of the shares exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the company.

As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund or a unit of business trust (which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

STCG arising in any other case or arising on sale of equity shares or units of equity oriented mutual fund or a unit of business trust (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%/40%, as applicable.

The tax rates mentioned above stands increased by applicable surcharge depending on the status of the tax payer (i.e. resident or non-resident). Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1%, respectively, is payable by all categories of taxpayers.

As per provisions of Section 71 read with Section 74 of the Act, short-term capital loss arising during a year is allowed to be set-off against short-term as well as long-term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

As per provisions of Section 71 read with Section 74 of the Act, long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, shall be carried forward and set-off against long-term capital gains arising during subsequent 8 assessment years.

The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

(ii) Exemption of capital gains from income tax

As per Section 54EC of the Act, capital gains arising from the transfer of a long-term capital asset are exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long-term asset cannot exceed INR 5,000,000 per company, whether made in the Financial Year when the asset or assets are transferred or in a subsequent financial year.

Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF'). As per provisions of Section 54F of the Act, LTCG arising from transfer of long term capital assets (not being residential house) is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of one new residential house in India, or for construction of one residential house in India within three years from the date of transfer and subject to conditions and to the extent specified therein.

(c) Tax treaty benefits

As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial.

(d) Non-resident Indian taxation

Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.

- Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.

- As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1%, respectively).

- As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1%, respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VIA of the Act.

- As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that Section.

- As per provisions of Section 115G of the Act, where the total income of a NRI consists only of investment income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.

- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

- As per provisions of Section 115-I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

C. Benefits available to Foreign Institutional Investors („FIIs") under the Act

(a) Dividends exempt under Section 10(34) of the Act

As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax.

(b) Long term capital gains exempt under Section 10(38) of the Act

LTCG arising on sale equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act.

(c) Capital gains

As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows, subject to conditions specifies therein:

Nature of income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10
STCG on sale of equity shares subjected to STT	15
STCG on sale of equity shares not subjected to STT	30

For corporate FIIs, the tax rates mentioned above would have to be increased by applicable surcharge, payable at the rate of 5% where the taxable income exceeds INR 100,000,000 and by 2% where the taxable income exceeds INR 10,000,000 but is less than INR 100,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1%, respectively, is payable by all categories of FIIs.

The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.

(d) Others

As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.

Income in respect of interest referred in Section 194LD (interest on certain bonds and government securities) is taxable at the rate of 5%.

The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors. However, as per the

provisions of Section 2(14) of the Act, securities held by FIIs in accordance with the SEBI ICDR Regulations will be regarded as Capital Asset and not as stock in trade.

(e) Securities Transaction Tax

As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head _Profit and gains of business or profession‘. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

(f) Tax Treaty benefits

As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial.

D. Benefits available to Mutual Funds under the Act

(a) Dividend income

Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under Section 10(35) read with Section 115O of the Act.

(b) As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.

E. Benefits available to Venture Capital companies/Funds under the Act

In terms of Section 10(23FB) of the Act all Venture capital companies/Funds registered with SEBI, subject to conditions specified, are eligible for exemption under the Act.

Expenditure incurred on exempt income:

As per provision of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

(II) Tax Benefits under the Wealth Tax Act, 1957

Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.

Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, wealth tax is not applicable on shares held in a company.

LEGAL PROCEEDINGS

Our Company, its Subsidiary and our Corporate Promoters are subject to various legal proceedings from time to time mostly arising in the ordinary course of their business. Except as described below, we are not involved in any material legal proceedings and our Company is not aware of any proceedings that are threatened, which if determined adversely, may have, or have had, a material adverse effect on our business, properties, financial condition or results or operations of our Company. We believe that none of the contingencies, either individually or in the aggregate, would have a material adverse effect on our financial condition, results of operations or cash flows.

Other than as disclosed below, our Company has no outstanding default in relation to statutory dues payable, dues payable to holders of any debentures and interest thereon, and in respect of deposits and interest thereon, defaults in repayment of loans from any bank or financial institution. Other than as disclosed below, there has been no other instances of compounding of offences, prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the Issue.

A summary of certain legal proceedings pending against us where the amount claimed exceeds ₹ 25 Lacs and certain other litigation we consider material is set forth below:

A. Litigations involving our Company

Against our Company

Arbitration matter

1. An arbitration claim petition bearing No. 108 of 2013 has been filed by Shaileder Chandok (**"Claimant**") against our Company (**"Respondent**") before Justice Devinder Gupta (Retired), Sole Arbitrator. The Respondent had entered into a lease agreement on December 1, 2007 in respect of the property bearing plot no. 865, Phase – V, Udyog Vihar, Gurgaon (**"Premises**") for a period of 4 years and 11 months. As per the agreement, the rent of the Premises was fixed for ₹ 17 Lacs per month with a security deposit of ₹ 153 Lacs. Subsequently, the Respondent had re-entered into a lease deed dated May 4, 2011 (**"Lease Deed**") in respect of the Premises for a period of nine years commencing from July 1, 2011. As per the Lease Deed, the lease rent for the entire Premises was ₹ 20 Lacs per month and the Respondent were to pay an interest free refundable security deposit of ₹ 120.00 Lacs in three instalments and the lock in period were for thirty six months. The Claimant has alleged that the Respondent has not tendered the rent for three consecutive months that is from March, 2013 to May 2013 and default of payment of rent has occurred during the lock in period and the Claimant is entitled for rent for entire lock in period. Therefore, the Claimant has filed this Claim Petition praying *inter alia* for payment of ₹ 347.06 Lacs towards payment of lease rental/license fees with the future interest at rate of 18 per cent per annum and ₹ 10 Lacs towards cost of litigation and counsel fee.

   The Respondent has filed a written statement and counter claim on March 13, 2014 and denied all the allegations alleged by the Claimant and prayed *inter alia* for dismissal of statement of claim and payment of ₹ 466.31 Lacs as compensation. The Arbitration Claim Petition is currently pending before Justice Devinder Gupta (Retired), Sole Arbitrator.

Tax Proceedings

I. Direct Tax Cases

1. Our Company (*erstwhile* MPS Technologies Limited) filed its return of income on November 30, 2006 for the Assessment Year 2006-07 and subsequently filed a revised return on March 31, 2008 with a loss of ₹ 643.91 Lacs. The Assessing Officer by an order dated March 20, 2014 under Section 143(3) read with Section 147 of the Income Tax Act, reduced the assessed loss to ₹ 360.62 Lacs. Our Company has filed an appeal on April 28, 2014 before the Commissioner of Income Tax (Appeal), Chennai against the order dated March 20, 2014. The appeal is currently pending.

2. Our Company (*erstwhile* MPS Technologies Limited) filed its return of income on October 31, 2007 for the Assessment Year 2007-08 and subsequently filed a revised return on March 30, 2009 with a loss of ₹ 60.75

Lacs. The Assessing Officer passed an order dated October 11, 2011 under Section 143(3) read with Section 144C (13) of the Income Tax Act, wherein based on upward adjustment made by Transfer Pricing Officer of ₹ 609.60 lacs the total income was recomputed at ₹ 550.79 Lacs. The Assessing Officer adjusted the brought forward business loss/unabsorbed depreciation of earlier years and recomputed the assessed income as NIL. Our Company filed an appeal before the Income Tax Appellant Tribunal, Chennai on December 5, 2011 against transfer pricing adjustment of ₹ 609.60 Lacs. The appeal is currently pending.

3. Our Company (*erstwhile* MPS Technologies Limited) filed its return of income on September 30, 2008 for the Assessment Year 2008-09 and revised the return on March 30, 2009 with NIL income. The Assessing Officer made certain additions and passed an order dated December 29, 2011 under Section 143 (3) of the Income Tax Act and recomputed the assessed income after reducing the brought forward business losses at ₹ 347.49 Lacs with NIL tax demand. Our Company has filed an appeal on February 8, 2012 before the Commissioner of Income Tax (Appeal), Chennai against the order of the Assessing Officer. The appeal is currently pending.

4. Our Company (*erstwhile* MPS Technologies Limited) filed its return of income on October 13, 2010 for the Assessment Year 2009 –10 with income as NIL. The Assessing Officer passed an order dated February 27, 2014 under Section 143(3) read with Section 144C (13) of the Income Tax Act and made an upward adjustment of ₹ 163.24 lacs based on the adjustment made by the Transfer Pricing Officer and demand of ₹ 12.95 lacs has been computed. Our Company has filed an appeal on May 14, 2014 before the Income Tax Appellant Tribunal, Chennai against the order of the Assessing Officer. The appeal is currently pending.

5. Our Company (*erstwhile* ICC India Private Limited) filed its return of income on November 27, 2007 for the Assessment Year 2007-08 with income of ₹ 131.88 Lacs The Assessing Officer passed an order dated October 31, 2011 under Section 143(3) read with Section 144C (13) of the Income Tax Act and made an upward adjustment of ₹ 424.17 lacs based on the adjustment made by the Transfer Pricing Officer and recomputed the income at ₹ 556.05 lacs and raised a demand of ₹ 224.55 Lacs. Out of which ₹ 112 lacs has been paid by our Company. Our Company has filed an appeal dated on December 27, 2011 before the Income Tax Appellant Tribunal, Delhi against the order of the Assessing Officer. The appeal is currently pending.

6. Our company (*erstwhile* ICC India Private Limited) filed its return of income on September 30, 2008 for the Assessment Year 2008 – 09 with income of ₹ 76.98 Lacs. The Assessing Officer passed an order under Section 143(3) read with Section 144C (13) of the Income Tax Act dated February 22, 2012 and made an upward adjustment of ₹ 308.29 lacs which has been partly reduced by the Commissioner Income Tax Appeals, New Delhi **–CIT(A)**" *vide* order dated December 18, 2012 to ₹ 203.87 Lacs. Our company filed an appeal on January 7, 2013 before the Income Tax Appellant Tribunal, New Delhi against the order of the CIT(A). The appeal is currently pending.

7. Our Company (*erstwhile* MPS Technologies Limited) filed its return of income on September 30, 2009 for the Assessment Year 2009-10 with income as NIL. The Assessing Officer passed an order under Section 143(3) read with Section 144C (13) of the Income Tax Act dated February 28, 2014 and made an upward adjustment of ₹ 312.73 Lacs and recomputed the assessed income at ₹ 202.20 lacs. A tax refund of ₹ 23.68 Lacs has been computed. Our Company filed an appeal on May 14, 2014 before the Income Tax Appellant Tribunal, Chennai against the order of the Assessing Officer. The appeal is currently pending.

8. Our Company filed its return of income on October 15, 2010 for the Assessment Year 2010 – 2011 with income as NIL. The Assessing Officer passed an order dated February 23, 2015 under Section 143(3) read with Section 92CA (3) of the Income Tax Act and made an upward adjustment of ₹ 814.09 Lacs and recomputed the assessed income at ₹ 303.49 lacs. The tax demand of ₹ 174.58 Lacs has been computed. Our company is in the process of filing an appeal before the Income Tax Appellant Tribunal, Chennai against the order of the Assessing officer.

II. Indirect Tax Cases

1. For the financial years 2009 to 2013, our Company has claimed refunds from service tax department under notification no. 5/2006CE (NT) dated March 14, 2006 read with Rule 5 of Cenvat Credit Rules, 2004 and Export of Services Rules, 2005. The service tax department has rejected certain refund claims aggregating to approximately ₹ 382.21 Lacs on the ground for non – submission of certain documents under the said

provisions. 17 appeals filed by our Company against such refund claims are pending before the Commissioner of Central Excise (Appeals), Bengaluru.

2. For the financial years 2006 to 2010, our Company has claimed refunds from service tax department under notification no. 5/2006CE (NT) dated March 14, 2006 read with Rule 5 of Cenvat Credit Rules, 2004 and Export of Services Rules, 2005. The service tax department has rejected certain refund claims aggregating to approximately ₹ 51.30 Lacs on the ground for non – submission of certain documents. 3 appeals filed by our Company against such refund claims are pending before the Customs, Excise & Service Tax Appellate Tribunal, Bengaluru.

3. For the financial years 2009 to 2010, our Company has claimed refunds from service tax department. The service tax department has rejected certain refund claims aggregating to approximately ₹ 23.01 Lacs on the ground for certain non – submission of documents as required in terms of Notification No. 09/2009ST dated March 3, 2009 as amended. An appeal filed by our Company against such refund claims are pending before the Customs, Excise & Service Tax Appellate Tribunal, New Delhi.

4. For the financial years 2007 to 2009, our Company has claimed refunds from service tax department. The service tax department has rejected certain refund claims aggregating to approximately ₹ 10.16 Lacs on the ground of delay in filing of refund claims. 2 appeal filed by our Company against such refund claims are pending before the Customs, Excise & Service Tax Appellate Tribunal, New Delhi.

5. For the financial years 2003 to 2008, the service tax department has levied the penalty under Sections 76, 77 and 78 of the Finance Act 1994 amounting to ₹ 209.58 Lacs. 3 appeals filed by our Company against these penalty proceedings are pending before the Customs, Excise & Service Tax Appellate Tribunal, Bengaluru.

B. Criminal against the Director of Our Company

1. Two criminal complaints bearing number 13/2002 and 15/2002 were filed against ADF Foods Limited and all its directors including Darius E. Udwadia, executive and non-executive, by a food inspector before Judicial Magistrate of First Class, Nadiad, alleging contraventions of the Prevention of Food Adulteration Act, 1954 on the grounds inter alai that, oil layer is more than 0.5 c.m. and batch number and lot number or code are not mentioned on the bottles containing pickle. ADF Foods Limited filed petitions bearing no. 13502 of 2009 and 13499 of 2009 for quashing the above proceedings against the non-executive independent directors and Darius E Udwadia who was then one of the non-executive directors of ADF Foods Limited. The matter is currently pending.

C. Litigations involving our Corporate Promoter

Except as stated below, there is no litigation or legal action pending or taken by any ministry or department of the Government or statutory authority against our Corporate Promoter during the last three years immediately preceding the year of the circulation of the Preliminary Placement Document and any direction issued by such ministry or department of the Government or statutory authority upon conclusion of such litigation or legal action:

1. An Arbitration Petition No. 26 of 2014 dated October 12, 2013 has been filed by ADI BPO Services Limited (**"Claimant**") against Serco BPO Private Limited (**"Respondent**") before Justice P.K. Saxena, Sole Arbitrator (**"Arbitrator**"). The Claimant had entered into a Secro Call Centre Services Agreement dated March 15, 2011 with Respondent for a period of 5 years (**"Agreement**"). The arbitration was invoked pursuant to dispute arising between the parties under the Agreement. In the statement of facts and claims filed by the Claimant, the Claimant has prayed for a total of ₹ 161 Lacs and interest of 1.5% per month from April 1, 2014 till the date of realization for unpaid service fees, repairs, damages and interest pursuant to the Agreement. The Respondent in reply of the claim filed counter claim and prayed that the Claimant to pay a sum of ₹ 42.24 Lacs towards balance security deposit along with 18% interest from April 1, 2014 to realization. The Respondent has also claimed a sum of ₹ 50.00 Lacs towards loss of business profit and ₹ 50.00 Lacs towards loss of goodwill and reputation. The matter is pending before the Arbitrator.

2. An Arbitration Petition No. 303 of 2013 dated May 8, 2014 has been filed by Sparsh BPO Services Limited (**"Claimant**") against ADI BPO Services Limited (**"Respondent**") before Justice P.K. Saxena, Sole Arbitrator (**"Arbitrator**"). The Claimant had entered into a Call Centre Services Agreement with

Respondent for a period of 5 years (**"Agreement**"). The arbitration was invoked pursuant to dispute arising between the parties under the Agreement. In the statement of claim, the Claimant has prayed for an amount of Rs. 74.12 lacs as unpaid security deposit and ₹ 31.13 lacs towards interests calculated at the rate of 18% per annum. The Respondent has filed its reply dated August 20, 2014 *inter alia* denying the allegations made by the Claimant. The matter is pending before the Arbitrator.

3. On June 28, 2012, Regional Provident Fund Department, Dehradun had carried out inspection in the office premise of ADI BPO Services Limited (**"ADI BPO**") and seized certain documents of ADI BPO. Upon examination of records, Regional Provident Fund Department, Dehradun issued its inspection reports inter alia alleged that (i) ADI BPO failed to pay appropriate provident fund to its employees for the period commencing from June, 2009 till May, 2012 and the proceeding may be initiated against ADI BPO. ADI BPO has submitted its reply to the concerned department and the matter is pending.

D. Regulatory actions taken against our Company in the last three years

Except as stated below, there has been no inquiry, inspection or investigations initiated or conducted against our Company under the Companies Act, 2013 or any previous company law in the last three years immediately preceding the year of circulation of the Preliminary Placement Document. Further, except as stated below, there have not been any prosecutions filed (whether pending or not), fines imposed, compounding of offences under the Companies Act, 2013 or any previous company law, in the last three years immediately preceding the year of circulation of the Preliminary Placement Document with respect to our Company.

1. Our Company and Rajiv Kumar Seth (together referred to as the **"Applicant**") had filed a company application bearing number CA/172/621A/CB/2013 before the Company Law Board, Chennai Region, Ministry of Corporate Affairs, Chennai (**"CLB**") under Section 621 A of the Companies Act, 1956 for compounding of violation under Section 153 of the Companies Act, 1956. The CLB vide Order dated December 9, 2013 compounded the violation, on the Applicant having paid an aggregate amount of ₹ 4 Lacs.

2. Our Company, Rajiv Kumar Seth, S. M. Krishna (together referred to as the **"Applicant**") had filed a company application bearing number CA/173/621A/CB/2013 before the Company Law Board, Chennai Region, Ministry of Corporate Affairs, Chennai (**"CLB**") under Section 621 A of the Companies Act, 1956 for compounding of violations under Section 224(8)(b) of the Companies Act, 1956 and Rule 3 (ii) of the Companies (Transfer of Profits to Reserves) Rules, 1975. The CLB vide order dated December 9, 2013 compounded the violations, on the Applicants having paid an aggregate amount of ₹ 85,000.

3. Our Company has received a letter bearing number F. No. 5795/209A/STA/2010 dated November 20, 2013 issued by the Office of Registrar of Companies, Chennai requesting our Company to furnish certain documents pertaining to the period between March 6, 2006 to July 21, 2008 in relation to the inspection under Section 209A of the Companies Act, 1956 carried out in the year 2010. Our Company through its consultant M/s. R. Sridharan & Associates, Company Secretaries, *vide* letter dated January 9, 2014 submitted the requisite documents to the Registrar of Companies, Chennai.

E. *Material frauds committed against our Company in the last three years*

There have been no material frauds committed against our Company in the last three years.

INDEPENDENT ACCOUNTANTS

Our Company's current statutory auditors, M/s. Deloitte Haskins & Sells, Gurgaon, Chartered Accountants, are independent auditors with respect to our Company as required by the Companies Act and in accordance with the guidelines issued by the Institute of Chartered Accountants of India, who has performed limited review in accordance with Standard on Review Engagements (SRE) 2410 –Review of Interim Financial Information Performed by the Independent Auditor of the Entity" with respect to our unaudited reviewed financial results as of and for the quarter and nine months period ended December 31, 2014, whose report is included in this Placement Document. Further, M/s. Deloitte Haskins & Sells, Chennai, Chartered Accountants, have audited financial statements as of and for the Fiscal Year ended March 31, 2012, March 31, 2013 and March 31, 2014, whose reports are included in this Placement Document. Please see the chapter titled –***Financial Statements***" beginning on page 156.

GENERAL INFORMATION

1. Our Company was originally incorporated as '*The Macmillan Company of India Private Limited*' a private limited company under the Companies Act pursuant to Certificate of Incorporation dated January 19, 1970 bearing registration number 5795 of 1970 issued by the Registrar of Companies, Tamil Nadu. Our Company was converted into a public limited company and the name of our Company was changed to '*The Macmillan Company of India Limited*' pursuant to a fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated September 14, 1971 issued by the Assistant Registrar of Companies, Tamil Nadu, Madras. The name of our Company was changed to '*Macmillan India Limited*' pursuant to a fresh certificate of incorporation consequent upon change of name dated October 4, 1980 issued by the Assistant Registrar of Companies, Tamil Nadu, Madras. Thereafter, the name of our Company was changed to its present name '*MPS Limited*' pursuant to a fresh certificate of incorporation consequent upon change of name dated June 25, 2009 issued by the Assistant Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Island. Our corporate identification number is L22122TN1970PLC005795.

2. As of the date of this Placement Document, our authorized capital is ₹ 20,00,00,000 divided into 2,00,00,000 Equity Shares of ₹ 10 each. As of the date of this Placement Document, 1,68,22,668 Equity Shares of ₹ 10 each were paid up and outstanding.

3. Our Registered Office is located at R R Tower IV, Super A, 16/17, Thiru – VI – KA Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu, India and Corporate Office is located at C – 35, Sector – 62, Noida – 201 307, Uttar Pradesh, India.

4. Under our Memorandum of Association, our principal objects are to carry out the business described in the chapter titled "***Business***" beginning on page 75. The objects are set out in Clause III of our Memorandum of Association.

5. The Issue was authorized and approved by our Board of Directors by resolutions dated January 29, 2015 and approved by our shareholders *vide* a special resolution passed through postal ballot results announced on March 13, 2015

6. Our Company has received in-principle approvals under Clause 24(a) of the Listing Agreements for the issue of the Equity Shares from the BSE and the NSE. We will apply for final approvals to list our Equity Shares to be issued in the Issue on the BSE and the NSE.

7. Copies of our Memorandum and Articles of Association will be available for inspection during usual business hours on any weekday (except Saturdays and public holidays) during the offering period at our Registered Office.

8. Other than as set forth in this Placement Document, there has been no significant change in our financial results since March 31, 2014, the date of our last audited financial statements.

9. Except as disclosed in this Placement Document, we are not involved in any material legal proceedings and we are not aware of any threatened legal proceedings, which, if determined adversely, could result in a material adverse effect on our business, financial condition or results of operations.

10. Our Company has obtained necessary consents, approvals and authorisations required in connection with the Issue.

11. M/s. Deloitte Haskins & Sells, Chennai, Chartered Accountants have audited our financial statements as of and for the fifteen months period ended March 31, 2012, for the twelve months period ended on March 31, 2013 and for the twelve months period ended on March 31, 2014. M/s. Deloitte Haskins & Sells, Gurgaon, Chartered Accountants have reviewed the unaudited consolidated financial statements and notes thereto for the quarter and the nine period ended December 31, 2014 and have provided their consent for inclusion of their reports in relation thereto in this Placement Document.

12. We confirm that we are in compliance with minimum public shareholding requirements under the terms of our Listing Agreements with the Stock Exchanges.

13. Our Company and the BRLM accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website www.adi-mps.com, would be doing so at his or her own risk.

14. The Floor Price for the Issue is ₹ 879.54 per Equity Share calculated in accordance with Regulation 85 of the SEBI ICDR Regulations. Our Company offered a discount of 4.95% i. e. 43.54 on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations.

FINANCIAL STATEMENTS

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AUDITORS' REPORT TO THE MEMBERS OF MPS LIMITED

1. We have audited the attached Balance Sheet of **MPS LIMITED** ("the Company") as at 31st March, 2012, the Profit and Loss Account and the Cash Flow Statement of the Company for the period 1st January, 2011 to 31st March, 2012, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. Without qualifying our opinion, we draw attention to Note No. 5b of Schedule 19 regarding the disallowance of input credit of service tax claims against which the Company has filed/ is in the process of filing appeals with the respective authorities and service tax demand on overseas commission, against which the Company has filed an appeal with the concerned authority.

4. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

5. Further to our comments in the paragraph 3 above and Annexure referred to in paragraph 4 above, we report as follows:

   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

(ii) in the case of the Profit and Loss Account, of the profit of the Company for the period 1st January, 2011 to 31st March, 2012 and

(iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the period 1st January, 2011 to 31st March, 2012.

5. On the basis of the written representations received from the Directors as on 31st March, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.

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

Monisha Parikh
Partner
(Membership No.47840)

MUMBAI, 28th May, 2012

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 4 of our report of even date)

(i) Having regard to the nature of the Company's business/activities/result, clauses ii, iii (b) to (d), iii (f) and (g), v, vi, viii, xii, xiii, xiv, xix, xx of CARO are not applicable.

(ii) In respect of its fixed assets:

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

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

(c) The fixed assets disposed off during the period, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) The Company has neither granted nor taken any loans to/ from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the rendering of services. During the course of our audit, we have not observed any major weakness in such internal control system. The activities of the Company do not involve purchase of inventory and sale of goods.

(v) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

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

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues applicable to it with the appropriate authorities, except for delays in remittances of service tax and professional tax.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable, except for Rs. 23,072 relating to service tax which could not be deposited pending registration of services in the nature of commercial training / coaching.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty and Cess which have not been deposited as on 31st March, 2012 on account of disputes are given below:

Statute	**Nature of Dues**	**Forum where Dispute is pending**	**Period to which the amount relates**	**Amount involved (Rs. in lacs)**
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2004-05 and 2006-07	149.16
		Commissioner of Income Tax (Appeals)	2006-07 and 2007-08	450.44
The Finance Act	Service Tax	Customs and Excise Service Tax Appellate Tribunal	April 06 to September, 2008	191.47

(vii) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year but has incurred cash losses in the immediately preceding financial year.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. There are no borrowings from financial institutions and the Company has not issued any debentures.

(ix) The Company has not given any guarantee for loans taken by others from banks or financial institutions.

(x) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(xi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the period for long- term investment.

(xii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.

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

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

Monisha Parikh
Partner
(Membership No.47840)

MUMBAI, 28th May, 2012

Deloitte Haskins & Sells

Chartered Accountants
Deloitte Centre
Anchorage II
100/2 Richmond Road
Bangalore - 560 025
INDIA

Tel : + 91 80 6627 6000
Fax: + 91 80 6627 6011

CERTIFICATE

TO THE MEMBERS OF MPS LIMITED

We have examined the compliance of conditions of Corporate Governance by MPS Limited, ("the Company") for the 15 month period ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

Place: Mumbai
Date: 28th May 2012

Ref: MP/061

DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Reg. No. 008072S

MONISHA PARIKH
Partner
Membership No. 42824

MPS Limited

BALANCE SHEET AS AT MARCH 31, 2012

	Schedule No.	As at 31-Mar-12 Rs. in Lacs		As at 31-Dec-10 Rs. in Lacs	
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
Share Capital	1	1,682.27		1,682.27	
Reserves & Surplus	2	5,348.54		5,043.47	
			7,030.81		6,725.74
2. Loan Funds	3				
Secured Loan		80.02		1,086.32	
Unsecured Loan		503.43		-	
			583.45		1,086.32
3. Deferred Tax Liability (Net) (Refer Note III (18b) of Schedule 19)			8.64		17.63
			7,622.90		**7,829.69**
II. APPLICATION OF FUNDS					
1. Fixed Assets	4				
Gross Block		8,071.78		8,714.67	
Less : Accumulated Depreciation / Amortization		5,421.59		5,149.78	
Net Block		2,650.19		3,564.89	
Capital work in progress		-		137.54	
			2,650.19		3,702.43
2. Investments	5		1,220.19		-
3. Current Assets, Loans and Advances					
Inventories	6	924.95		1,124.66	
Sundry Debtors	7	2,423.53		2,904.78	
Cash and Bank Balances	8	913.41		2,573.85	
Loans and Advances	9	2,270.61		2,274.79	
Total Current Assets		6,532.50		8,878.08	
Less: Current Liabilities	10	2,008.47		4,674.00	
Provisions	11	771.51		76.82	
Total Current Liabilities / Provisions		2,779.98		4,750.82	
Net Current Assets			3,752.52		4,127.26
			7,622.90		**7,829.69**

Notes on Accounts 19

Schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh
Partner

For and on behalf of Board

Nishith Arora
Chairman

Vijay Sood
Director

Supriya Kumar Guha
Company Secretary

Place: MUMBAI
Date: 28-MAY-2012

Place: MUMBAI
Date: 28-05-2012

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

MPS Limited

PROFIT AND LOSS ACCOUNT FOR THE PERIOD JANUARY 1, 2011 TO MARCH 31, 2012

	Schedule No	For the period ended 31-Mar-12 Rs. in Lacs		For the year ended 31-Dec-10 Rs. in Lacs	
INCOME					
Service Income		19,235.56		12,856.38	
Less: Discounts		134.77	19,100.79	114.11	12,742.27
Interest Income	12		37.33		26.63
Other Income	13		634.93		873.88
			19,773.05		13,642.78
EXPENDITURE					
Decrease / (Increase) in Work in Progress	14	199.71		97.31	
Direct Cost / Raw Materials Consumed	15	1,559.33		2,059.76	
Staff Costs	16	10,688.56		8,403.19	
Other Expenditure	17	4,335.05		3,330.94	
Marked to Market Loss on Forward Contracts		338.79		-	
Interest expense	18	129.99		53.21	
Depreciation / Amortization	4	1,068.10		667.43	
			18,317.53		14,611.84
Profit / (Loss) before taxation			1,455.52		(969.06)
Provision for taxation					
Current Tax		377.38		4.45	
(Refer Note III (18a) of Schedule 19)					
Deferred Tax		(8.99)		(87.50)	
Fringe Benefit tax		-		(5.30)	
			368.39		(88.35)
			1,087.13		(880.71)
Profit / (Loss) after taxation			**1,087.13**		**(880.71)**
Brought forward from previous year			5,043.47		8,666.82
Less: Debit Balance (Net) in Profit and Loss account of erstwhile subsidiaries as on 31-December-2010 (Refer Note I of Schedule 19)			-		1,916.06
Less: Adjustment made on amalgamation (Refer Note I of Schedule 19)			-		826.58
Profit available for Appropriations			6,130.60		5,043.47
Appropriations:					
Transfer to General Reserve			108.71		-
Dividend on Equity Shares					
Interim Dividend			336.45		-
Corporate tax on Interim Dividend			54.58		-
Proposed Final Dividend			336.45		-
Corporate tax on Proposed Final Dividend			54.58		-
Surplus carried to Balance sheet			5,239.83		5,043.47
Notes on Accounts	19				
Basic and diluted earnings per share (Face value Rs. 10)			6.46		(5.24)

Schedules referred to above form an integral part of the Profit and Loss account

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh
Partner

For and on behalf of Board

Nishith Arora
Chairman

Vijay Sood
Director

Supriya Kumar Guha
Company Secretary

Place: MUMBAI
Date: 28-MAY-2012

Place: MUMBAI
Date: 28-05-2012

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

MPS LIMITED

MPS Limited

CASH FLOW STATEMENT FOR THE PERIOD JANUARY 1, 2011 TO MARCH 31, 2012

MPS

Description	For the period ended 31-Mar-12 Rs. in Lacs		For the year ended 31-Dec-10 Rs. in Lacs	
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Profit / (Loss) before tax		1,455.52		(969.06)
Adjustments for:				
Depreciation	1,068.10		687.43	
Interest income	(37.33)		(26.63)	
Income from Mutual Funds	(20.19)		-	
Interest expenses	129.99		53.21	
Loss on Sale / write-off of fixed assets (net)	175.73		(0.31)	
Provision for doubtful advances written back	(12.39)		-	
Liabilities/Provisions no longer required written back	(160.59)		(174.30)	
Provision for doubtful debts	25.50		70.23	
Bad debts written off	97.09		70.92	
Unrealised exchange difference (net)	85.37		(197.60)	
Unrealised Marked to Market loss on Forward Contracts	338.79		-	
		1,690.07		462.95
Operating profit before working capital changes		3,145.59		(506.11)
Adjustments for:				
(Increase)/decrease in Work in Process	199.71		97.31	
(Increase)/decrease in Sundry debtors	402.69		518.42	
(Increase)/decrease in Loans and advances	78.66		53.65	
Increase/(decrease) in Current liabilities and provisions	(2,939.17)		(14.65)	
		(2,258.11)		654.73
Cash generated from operations		887.48		148.62
Direct taxes paid		(206.89)		123.57
Net cash from operating activities		680.59		272.19
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(228.22)		(919.00)	
Proceeds from disposal of assets	46.86		14.65	
Purchase of investments - Others	(1,220.19)		-	
Interest received	37.23		19.94	
Investment in Lien / Guarantee	(0.62)		0.45	
Dividends received	20.19		-	
Net cash from investing activities		(1,344.75)		(883.96)
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Secured Loans	921.91		658.68	
Repayment of Secured Loans	(1,928.21)		(19.20)	
Proceeds from Unsecured Loans	653.43		-	
Repayment of Unsecured Loans	(150.00)		-	
Interest paid	(47.06)		(35.40)	
Loan repayment received from subsidiary	-		85.88	
Dividend paid	(337.29)		(168.23)	
Dividend tax paid	(54.58)		(29.04)	
Net cash used in financing activities		(941.80)		492.69
Net Cash Flows during the year (A) + (B) +(C)		(1,605.96)		(119.08)

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

MPS Limited
CASH FLOW STATEMENT FOR THE PERIOD JANUARY 1, 2011 TO MARCH 31, 2012

MPS

Description	For the period ended 31-Mar-12 Rs. In Lacs		For the year ended 31-Dec-10 Rs. In Lacs	
Cash and cash equivalents at the beginning of the year	2,554.16		1,321.59	
Add / (Less) :Unrealised exchange (gain) / loss	160.59		276.58	
	2,714.75		1,598.17	
Cash and cash equivalents at the end of the year	893.10		1,318.50	
Add / (Less) :Unrealised exchange (gain) / loss	215.69		160.59	
	1,108.79		1,479.09	
		(1,605.96)		(119.08)
Cash and Cash Equivalents as per Cash flow statement		893.10		1,479.09
Restricted balances placed in deposit accounts		20.31		15.37
Add: Cash balances added on account of amalgamation		-		1,075.07
Add: Restricted balances added on account of amalgamation		-		4.32
Cash and Bank Balances as per Balance Sheet		913.41		2,573.85

Notes on Accounts - Schedule 19

Schedules referred to above form an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Moniaha Parikh
Partner

Place: MUMBAI
Date: 28-MAY-2012

For and on behalf of Board

Nishith Arora
Chairman

Vijay Sood
Director

Supriya Kumar Guha
Company Secretary

Place: MUMBAI
Date: 28-05-2012

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

SCHEDULES TO ACCOUNTS

	As at 31-Mar-12 Rs. in Lacs		As at 31-Dec-10 Rs. in Lacs	
1. Share Capital				
Authorised				
2,00,00,000 (PY 2,00,00,000) Equity Shares of Rs.10 each		2,000.00		2,000.00
Issued, Subscribed and Paid up				
1,68,22,668 (PY 1,68,22,668) Equity Shares of Rs.10 each fully paid up [Note I (ii) and Note III (1) of Schedule 19]		1,682.27		1,682.27
2. Reserves and Surplus				
General Reserve:				
As per last Balance Sheet	-			500.00
Add. Transfer from Profit & Loss account	108.71			-
		108.71		500.00
Less: Adjustment made on amalgamation (Refer Note I of Schedule 19)		-		500.00
		108.71		-
Surplus shown in Profit & Loss account		5,239.83		5,043.47
		5,348.54		**5,043.47**
3. Loan Funds				
Secured Loans				
Working Capital Loan from Bank (Refer Note III (2a) & (2b) of Schedule 19)	-		600.00	
Add: On amalgamation (Refer Note I of Schedule 19) [Due within 1 year - Rs. Nil (PY - Rs.971.66 lacs)]	-		371.66	
		-		971.66
Vehicle Loans from Banks (Secured by first and specific charge on vehicles)	80.02		110.13	
Add: On amalgamation (Refer Note I of Schedule 19) Due within 1 year - Rs. 29.14 lacs (PY - Rs.36.73 lacs)	-		4.53	
		80.02		114.66
Unsecured Loans Due within 1 year - Rs. 503.43 Lacs (PY - Rs. Nil)		503.43		-
		583.45		1,086.32

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

MPS Limited

4. Fixed Assets

Rs. in Lacs

Description	COST					DEPRECIATION / AMORTISATION					NET BOOK VALUE	
	As at 01.01.2011	Additions	Deletions	Added on Amalgamation	As at 31.03.2012	As at 01.01.2011	For the period	Deletions	Added on Amalgamation	As at 31.03.2012	As at 31.03.2012	As at 31.12.2010
Land*	405.05	-	-	-	405.05	-	-	-	-	-	405.05	405.05
Buildings*	1,430.41	-	-	-	1,430.41	649.66	48.77	-	-	698.43	731.98	780.75
Plant & Machinery**	3,661.80	163.44	519.64	-	3,305.60	2,768.80	382.23	497.08	-	2,653.95	651.65	893.00
Furniture & Fixtures	1,078.29	4.38	164.66	-	918.01	692.38	93.05	123.88	-	661.55	256.46	385.91
Vehicles	285.72	0.43	68.36	-	217.79	130.01	48.51	50.84	-	127.68	90.11	155.71
Lease Hold Improvements	187.98	-	3.90	-	184.09	96.01	36.10	0.97	-	131.14	52.95	91.98
Intangibles - Software	1,665.47	197.51	252.09	-	1,610.83	812.92	459.44	123.52	-	1,148.84	461.99	852.49
TOTAL	8,714.67	365.76	1,008.65	-	8,071.78	5,149.78	1,068.10	796.29	-	5,421.59	2,650.19	3,564.89
Previous Year	8,484.98	861.67	72.21	1,440.23	8,714.67	3,476.91	667.43	57.87	1,063.31	5,149.78	3,564.89	
Add: Capital Work in Progress											-	137.54
TOTAL											2,650.19	3,702.43

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

** Plant & Machinery - as on 31.03.2012 includes assets costing Rs.532.58 Lacs (PY - Rs. 792.28 Lacs), which are located outside India.

5. Non-Trade Investments - Current (Quoted)

	As at 31-Mar-12			As at 31-Dec-10		
	No of Shares/Units	Face Value	Rs. in Lacs	No of Shares/Units	Face Value	Rs. in Lacs
Investments in Mutual Funds						
Birla Sun Life Cash Plus - Institutional-Daily Dividend Scheme	281,652.12	108.02	304.25	-	-	-
HDFC Liquid Fund - Daily Dividend Reinvestment	2,995,931.67	10.20	305.53	-	-	-
ICICI Prudential - Institutional Liquid Plan - Daily Dividend Plan	257,496.83	118.50	305.14	-	-	-
Kotak Liquid Institutional Plan - Daily Dividend Plan	2,496,482.70	12.23	305.27	-	-	-
[(6,031,563.30 units (PY- Nil) aggregating to Rs. 1,220.19 (PY - Nil) purchased during the year]			-			
TOTAL QUOTED INVESTMENTS			1,220.19			-

Aggregate Market value of quoted investments as at 31-Mar-12 is Rs. 1,220.19 Lacs (PY- Rs. Nil)

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

F12

SCHEDULES TO ACCOUNTS

	As at 31-Mar-12 Rs. in Lacs		As at 31-Dec-10 Rs. in Lacs	
6. Inventories				
(Cost or Net Realizable Value , whichever is lower)				
Work in Process		924.95		1,124.66
		924.95		**1,124.66**
7. Sundry Debtors - Unsecured				
Debts outstanding for a period exceeding six months:				
Considered good	58.30		60.50	
Add: On amalgamation (Refer Note I of Schedule 19)	-		65.95	
Considered doubtful	149.24		59.58	
		207.54		186.03
Other debts:				
Considered good	2,365.23		2,448.40	
Add: On amalgamation (Refer Note I of Schedule 19)	-		329.93	
Considered doubtful	-		64.16	
		2,365.23		2,842.49
		2,572.77		3,028.52
Less: Provision for doubtful debts		149.24		123.74
		2,423.53		**2,904.78**
8. Cash and Bank Balances				
Cash (includes cheques on hand Rs. Nil Lacs) (PY- Rs. 0.21 Lacs)		-		0.58
Bank Balances				
1. With Scheduled Banks in:				
a. Current Accounts	672.07		1,258.41	
Add: On amalgamation (Refer Note I of Schedule 19)	-		1,073.57	
		672.07		2,331.98
b. Dividend Account		1.79		2.63
c. (i) Deposit Accounts	195.74		130.58	
(ii) Margin money for guarantees issued	13.06		7.32	
(iii) Under lien towards Performance Guarantees	7.25		8.05	
Add: On amalgamation (Refer Note I of Schedule 19)	-		5.82	
		216.05		151.77
2. With Foreign Banks in Current Accounts:				
Bank of West	23.36		85.40	
HSBC Bank, USA NA	0.14		1.49	
		23.50		86.89
Maximum Balance Outstanding during the Year				
Bank of West Rs. 545.93 Lacs (PY- Rs. 394.78 Lacs)				
HSBC Bank, USA NA., Rs.260.38 Lacs (PY- Rs.214.56 Lacs)				
		913.41		**2,573.85**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

SCHEDULES TO ACCOUNTS

	As at 31-Mar-12 Rs. in Lacs		As at 31-Dec-10 Rs. in Lacs	
9. Loans and Advances				
Advances recoverable in cash or in kind or for value to be received				
Considered Good	829.98		897.97	
Add: On amalgamation (Refer Note I of Schedule 19)	-		160.46	
Considered Doubtful	19.64		32.03	
	849.62		1,090.46	
Less: Provisions for Doubtful Advances	19.64		32.03	
		829.98		1,058.43
Service Tax Receivable		1,040.96		730.97
Interest accrued on Deposits	0.99		0.66	
Add: On amalgamation (Refer Note I of Schedule 19)	-		0.23	
		0.99		0.89
Advance payment of Income Tax (Net of Provisions)	-		27.67	
Add: On amalgamation (Refer Note I of Schedule 19)	-		40.15	
		-		67.82
MAT Credit Entitlement	398.68		269.00	
Add: On amalgamation (Refer Note I of Schedule 19)	-		147.68	
		398.68		416.68
		2,270.61		2,274.79
10. Current Liabilities				
Sundry Creditors:				
Micro Enterprises and Small Enterprises (Refer Note III (3) of Schedule 19)		-		-
Other than Micro Enterprises and Small Enterprises	1,723.20		4,279.42	
Add: On amalgamation (Refer Note I of Schedule 19)	-		273.21	
		1,723.20		4,552.63
Book Overdraft		57.73		-
Income Received in Advance	117.25		-	
Add: On amalgamation (Refer Note I of Schedule 19)	-		5.94	
		117.25		5.94
Other Liabilities	108.50		92.68	
Add: On amalgamation (Refer Note I of Schedule 19)	-		20.12	
		108.50		112.80
Investor Education and Protection Fund shall be credited by the following amount:				
Unpaid Dividend **		1.79		2.63
		2,008.47		4,674.00
11. Provisions				
Provision for Marked to Market loss on Forward Contracts		338.79		-
Provision for Tax (Net of payments)		35.56		-
Proposed Dividend on Equity shares		336.45		-
Dividend Distribution Tax		54.58		-
Provision for Employee Benefits	6.13		24.78	
Add: On amalgamation (Refer Note I of Schedule 19)	-		52.04	
		6.13		76.82
		771.51		76.82

** There is no amount falling due as at the Balance Sheet date to be credited to the Investor Education and Protection Fund and the above amount represents Dividend Warrants issued but not encashed and excludes unencashed demand drafts of Rs.3.58 lacs (PY Nil)

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

SCHEDULES TO ACCOUNTS

	For the period ended 31-Mar-12 Rs. in Lacs	For the year ended 31-Dec-10 Rs. in Lacs
12. Interest Income		
On Fixed Deposits with Banks [Tax deducted at source: Rs. 3.81 lacs (PY - Rs. 1.01 lacs)]	31.67	10.68
From Subsidiary [Tax deducted at source: Rs. Nil (PY - Rs. 1.10 lacs)]	-	7.33
From Others	5.66	8.62
	37.33	**26.63**
13. Other Income		
Profit on sale of assets (net)	-	0.31
Rent Income [Tax deducted at source: Rs. 22.41 lacs (PY - Rs. 13.12 lacs)]	223.94	168.68
Income from Mutual Funds	20.19	-
Exchange variation (net)	211.90	449.84
Provisions for doubtful advances written back	12.39	-
Liabilities/Provisions no longer required written back	160.59	174.30
Miscellaneous receipts	5.92	80.75
	634.93	**873.88**
14. Decrease/ (Increase) in Work in Process		
Opening Work in Process	1,124.66	1,221.97
Less: Closing Work in Process	924.95	1,124.66
	199.71	**97.31**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

SCHEDULES TO ACCOUNTS

	For the period ended 31-Mar-12 Rs. in Lacs		For the year ended 31-Dec-10 Rs. in Lacs	
15. Direct Cost / Raw Material Consumed				
Opening Stock				
Add: Purchases	65.39		91.79	
	65.39		91.79	
Less: Closing Stock	-		-	
		65.39		91.79
Cost of Outsourced Services		1,493.94		1,967.97
		1,559.33		**2,059.76**
16. Staff Costs				
Salaries, Wages and Bonus		9,408.19		7,150.91
Contribution to Provident and Other Funds		539.22		560.12
Workmen and Staff Welfare Expenses		739.15		692.16
		10,686.56		**8,403.19**
17. Other Expenditure				
Rent		1,044.55		780.17
Hire Charges		111.99		48.24
Repairs to:				
Buildings	364.11		248.34	
Vehicles	12.34		9.13	
Plant & Machinery	165.60		127.25	
		542.05		384.72
Insurance		32.75		21.25
Communication		342.32		247.45
Travelling and Conveyance		733.26		755.13
Power and Fuel		530.98		427.76
Rates and Taxes		36.19		35.94
Legal and Professional Charges (Refer Note III (7) of Schedule 19)		327.20		201.83
Directors Sitting Fees		9.00		4.70
Commission to Non-executive directors		6.71		-
Provision for Doubtful Debts		25.50		70.23
Bad debts / advances written-off		97.09		70.92
Loss on Sale / write-off of fixed assets (net)		175.73		-
Miscellaneous expenditure		319.73		282.60
		4,335.05		**3,330.94**
18. Interest Expense				
On Term Loan		83.12		-
On Working Capital Loan		25.07		28.16
On Others		21.80		25.05
		129.99		**53.21**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

MPS Limited
19. Notes to the Financial Statements for the 15 months ended March 31, 2012

I. Background

(i) MPS Limited, (the Company) is engaged in the business of providing publishing solutions viz., typesetting and data digitization services for overseas publishers. The Company has a 100% Export Oriented Unit in Bengaluru, and units registered under the Software Technology Park of India (STPI) scheme that are located in Chennai, Delhi and Gurgaon. The Company also operates through its branches in United States of America and United Kingdom. The Company provides Publishing services relating to typesetting of books and journals, composing of Yellow Page Advertisements and catalogues, data coding, conversion, indexing, editing, copy editing, editorial services, software development, maintenance and support to global publishers.

(ii) On 11-October-2011, HM Publishers Holdings Limited, the erstwhile holding Company, entered into a Share Purchase Agreement (SPA) with ADI BPO Services Limited (known as ADI BPO Services Private Limited upto 8-May-2012), a domestic Company, to sell its entire shareholding in the Company, comprising 10,339,980 equity shares representing 61.46% of the issued, subscribed and paid up equity capital of the Company. Following this agreement, the execution of the stake sale was concluded as an open-market block deal transaction on the National Stock Exchange and in terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto, open offer proceedings were initiated by ADI BPO Services Limited with a Public Announcement on 14-October-2011 which were completed on 6-January-2012. Subsequent to the closure of the open offer proceedings, ADI BPO Services Limited has become the Holding Company with 76.27% shareholding.

(iii) Consequent to the Scheme of amalgamation of the wholly owned subsidiaries of the Company, MPS Technologies Limited and MPS Content Services Inc., USA and its wholly owned subsidiary MPS Content Services India Private Limited, with the Company, with an appointed date of 31-December-2010, sanctioned by the Honourable High Court of Madras vide its order dated 29-June-2011, all the assets, liabilities and reserves as on 31-December-2010 of the said erstwhile subsidiaries (Transferor Companies) were recorded in the books of the Company at the respective values appearing in the books of the Transferor Companies without revaluation. The excess of the value of Investment in the books of the Company over the value of share capital and reserves of the Transferor Companies of Rs. 1,326.58 Lacs was adjusted against the reserves of the Company in accordance with the Scheme of Amalgamation. Accordingly an amount of Rs.500 Lacs was adjusted against the General Reserves and the balance of Rs.826.58 lacs against the surplus in Profit and Loss Account as on 31-December-2010.

The Profit and Loss Account for the 15 months ended 31-March-2012 accordingly includes the operations of the erstwhile subsidiaries while the same are not included in the Previous Year and hence are not comparable.

The Board of Directors of the Company, at their meeting held on 15-November-2011, approved the change in the Company's financial year from December to March. Accordingly, the financial statements are presented for the period from 1-January-2011 to 31-March-2012. Hence, the figures for the current financial period are not comparable with those of the previous year. Previous year figures have been regrouped/reclassified wherever necessary to conform to current period's classification.

II. Significant Accounting Policies

(i) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with accounting principles generally accepted in India (Indian GAAP) and comply with the Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006, and relevant provisions of the Companies Act, 1956.

(ii) Use of Estimates

The preparation of the financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Differences between the actual results and estimates are regrouped in the period in which the results are known/materialised.

(iii) Fixed Assets and Intangibles

Fixed assets and intangibles (software - purchased as well as developed in-house) are stated at cost less accumulated depraciation. The cost of assets comprises its purchase price, including import duties and other non-refundable taxes or levies, wherever applicable, and any directly attributable cost of bringing the asset to its working condition for its intended use. Internally developed software is stated at direct cost attributable to the asset including other applicable costs less amortisation.

(iv) Depreciation / Amortization

Depreciation has been provided on the Written Down Value method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Assets individually costing less than Rs. 5,000 added in the year of purchase are fully depreciated.

Computer software (purchased and developed in-house) of the publishing solutions business is amortized over a period of 2 to 5 years, based on the future economic benefits, as estimated by the management.

The cost of improvements to leasehold premises is amortized over the primary / extended period of lease.

In the foreign branch of the company located in United States of America , Fixed Assets are depreciated based on their estimated useful life as follows:
Plant & Machinery - 5 years.
Intangible Software - 5 years.
Furniture & Fixtures - 7 years.
Leasehold improvements - 3 years.

MPS LIMITED

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

(v) Impairment of Assets

The carrying values of assets of the cash-generating units at each balance sheet date are reviewed for impairment. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognized, if the carrying amount of those 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 estimated future cash flows to their present value based on appropriate discount factor.

(vi) Investments

Long-term Investments are carried at cost. Provision for diminution, if any, in the value of long-term investments is made, to recognize a decline, other than temporary. Such diminution is determined for each investment individually. Current Investments are stated at lower of cost or fair value.

(vii) Inventories

Inventories comprising Work in Process, are valued at the lower of cost and net realisable value. The cost comprises material cost, direct labour and appropriate proportion of overheads. The quantity measured in pages considered for valuation is adjusted for pages where no realization is expected.

(viii) Revenue Recognition

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

Revenues for web-site design and development are recognised based on the percentage of completion of the project. Revenues from web-site hosting are recognised rateably over the year for which the site is hosted and on man-hours basis for BPO operations.

Dividend income from investment in units of Mutual Funds is recognized on accrual basis when the right to receive the same is established based, on declaration by the Mutual Funds.

Rental Income is recognized as per contractual terms. Interest income is accounted on accrual basis.

(ix) Foreign Currency Transactions

(a) Transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transaction and the realized exchange loss/gain are dealt with in the Profit and Loss account.

(b) Monetary assets and liabilities denominated in foreign currency are restated at the rates of exchange as on the Balance Sheet date and the exchange gain/loss is suitably dealt with in the Profit and Loss account.

(c) Overseas Operations

In accordance with Accounting Standard 11 (Revised), 'Accounting for the effects of changes in foreign exchange rates', the branches located outside India have been classified as "Integral Foreign Operations". Non-monetary assets are translated at the rates as on the date of the transaction. Monetary assets and liabilities are translated at the closing rate. Income and expenses are translated at the monthly average rate. The resultant exchange differences are dealt with in the Profit and Loss account.

(x) Employee Benefits

Defined contribution plans:

a. Provident Fund: Fixed contributions to defined contribution plans such as Provident Fund and Employee State Insurance made on a monthly basis to relevant authorities are charged to the Profit and Loss account as they fall due.

b. Superannuation Fund: The Company makes contribution to a scheme administered by the Life Insurence Corporation of India (LIC) to discharge its liabilities towards superannuation to certain employees and the same is charged to the Profit and Loss account.

Defined benefit plans

Gratuity: The Company accounts for its liability for future gratuity benefits, as at the Balance Sheet date. This is determined through actuarial valuation using the projected unit credit method. The Company makes its contribution to a fund administered by the LIC. Actuarial gains and losses are immediately recognised in the Profit and Loss account.

Other Long term benefits: Liability for compenseted absences payable at the time of retirement / resignation is determined on actuarial basis as at the Balance Sheet date, using the projected unit credit method. The Company makes its contribution to a fund administered by the LIC. Actuarial gains and losses are immediately recognised in the Profit and Loss account.

Short term employee benefits: Short term employee benefits are recognised as an expense as per the Company's scheme based on expected obligations on an undiscounted basis.

With respect to the overseas branch, the Company provides for employee benefits as per the local regulations.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

MPS Limited

19. Notes to the Financial Statements for the 15 months ended March 31, 2012

(xi) Taxation

Current income tax expenses comprise taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act,1961.
Minimum Alternate Tax (MAT) paid in accordance with the tax laws which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax in the subsequent years. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax is calculated at the rates and laws that have been enacted or substantially enacted as of the Balance Sheet date and is recognized on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence are recognised and carried forward only to the extent that they can be realized.

(xii) Cash Flow Statement

The Cash Flow Statement has been prepared in accordance with the Indirect method prescribed in Accounting Standard 3 - 'Cash flow statements'. The cash flows from operating, investing and financing activities of the Company are segregated.

(xiii) Provisions, Contingent Liabilities and Contingent Assets

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 are not discounted to present value and are determined based on 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 not recognised but are disclosed in the notes.

Contingent assets are neither recognised nor disclosed in the financial statements.

III. Notes to the Accounts

1.Issued, Subscribed and Paid-up Share Capital

Of the 1,68,22,668, equity shares (PY - 1,68,22,668 shares), 1,68,19,852 shares (PY - 1,68,19,852 shares) were allotted as fully paid up pursuant to contracts without payments being received in cash which includes 1,63,52,636 shares (PY - 1,63,52,636 shares) issued as Bonus Shares.

Of the above, 1,28,31,496 shares (PY - 1,03,39,980 shares) are held by ADI BPO Services Limited (PY - H M Publishers Holdings Ltd, United Kingdom), the Holding Company.

2. Secured Loan

(a) Working Capital Demand Loan / Cash credits availed by erstwhile subsidiary amounting to Rs. Nil (PY - Rs. 371.66 Lacs) are secured by a guarantee given by HM Publishers Holdings Limited.

(b) Working Capital Demand Loan / Cash credits availed amounting to Rs. Nil (PY - Rs. 600 lacs) are secured by inventories and book debts of the Company.

3.There are no micro and small enterprises, to whom the Company owes dues , which are outstanding for more than 45 days during the year and also as at 31-March-2012 (PY - Rs. Nil). This information and that given in "Current Liabilities" in Schedule 10 has been identified on the basis of information available with the Company. This has been relied upon by the auditors.

4.Capital Commitments

Particulars	As at 31-Mar-12 Rs. in Lacs	As at 31-Dec-10 Rs. in Lacs
Estimated amount of contracts remaining to be executed on Capital Account and not provided for	1.83	7.53

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

5. Contingent Liabilities

(a)

Particulars	As at 31-Mar-12 Rs. in Lacs	As at 31-Dec-10 Rs. in Lacs
(i) Income Tax - Relating to transfer pricing adjustments and disallowance of export commission and other deductions	711.90	610.28
(ii) Service Tax		
Penalty demand (including interest) for delayed payment of Service Tax	139.53	139.53
Disallowance of input credit (Refer note (b) below)	687.59	205.49
Demand on overseas commission (Refer note (b) below)	72.00	227.77
(iii) Employee State Insurance(ESI) (relating to non-deduction of ESI on vendor payments.	4.16	4.47
(iv) Provident Fund (relating to delay in deposit of dues)	2.40	2.40

The above amounts are based on the notice of demand / Assessment Orders by the relevant authorities and the Company is contesting these claims with the respective authorities. 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.

(b) The Company has received orders from service tax authorities disallowing input credit of service tax aggregating to Rs. 687.59 Lacs for the period June 2006 to December 2010. The Company has filed/is in the process of filing appeals against such orders. Based on legal opinion, the Company is of the view that the disallowance is not sustainable.

The Company has filed appeals against the service tax demand of Rs. 72 Lacs on overseas commission for the period from 18-April-2006 to 31-December-2006. The Company has been advised that in the event of the demand being upheld by the Appellate Authority, the Company being an exporter of services, is eligible to avail the tax as input credit.

6.Managerial Remuneration and Commission to Non-Executive Directors

Particulars	For the Period ended 31-Mar-2012 Rs. in Lacs		For the Year ended 31-Dec-2010 Rs. in Lacs	
(a) Remuneration to the Managing Director				
Salary	52.54		39.00	
Rent Allowance	18.45		12.00	
Special Allowance	10.41		2.67	
Annual Performance Bonus/ Commission	41.50		-	
Contribution to Provident Fund	6.30		4.68	
Contribution to Superannuation Fund	7.76		5.85	
Contribution to Gratuity Fund	2.54		1.88	
Reimbursement of medical expenses	0.19		-	
Insurance Benefit	0.44		0.43	
Leave Travel concession	4.38		3.25	
Bonus	9.86		0.15	
		154.37		69.91
Estimated Money Value of perquisites calculated as per Rule 3 (a) of the Income Tax Rules, 1972 to the Managing Director.		11.89		3.09
TOTAL		166.26 *		73.00 **

* The above includes managerial remuneration amounting to Rs. 42.40 Lacs which is subject to the approval of the Company in the General Meeting to comply with Section 309 (1) read with Schedule XIII of the Companies Act, 1956.

** Bonus of Rs. 13 lacs for the year ended 31-December-2010 is paid during the year based on approval received from the Central Government.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

MPS Limited
19. Notes to the Financial Statements for the 15 months ended March 31, 2012

Particulars	For the Period ended 31-Mar-2012 Rs. in Lacs		For the Year ended 31-Dec-2010 Rs. in Lacs	
(b) Computation of Net Profit for ascertaining commission payable to Non-Executive Directors				
Net Profit before taxation		1,455.52		(969.06)
Add: Directors remuneration	166.26		73.00	
Directors Sitting fees	9.00		4.70	
Provision for doubtful debts	25.50		70.23	
Loss on sale / write off of fixed assets (net)	175.73		-	
Commission to Non-executive directors	6.71		-	
Wealth tax paid	0.11		0.93	
		383.31		148.86
		1,838.83		(820.20)
Less: Profit on disposal of assets (net)		-		0.31
Write-back of provision for doubtful advances		12.39		-
Liabilities/Provisions no longer required written back		160.59		174.30
Excess of expenditure over income i.e., loss of earlier year computed in accordance with Sec 349 of Companies Act,1956		994.81		-
		671.04		(994.81)
1 % of Commission thereof to Non-Executive Directors		6.71		-

7.Auditors Remuneration

Particulars	For the Period ended 31-Mar-2012 Rs. in Lacs	For the Year ended 31-Dec-2010 Rs. in Lacs
Legal and Professional charges include:		
Remuneration and expenses reimbursed to Auditors (excluding Service Tax on which input credit is availed)		
Audit Fees (includes fees towards Group Reporting and Corporate Governance report)	35.00	44.45
Tax Audit	5.00	8.25
Taxation matters	22.76	22.16
Fees for other services [includes Rs.1.05 lacs for earlier years (PY- Rs. Nil)]	4.18	5.34
Out of Pocket expenses	1.91	1.52

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

MPS Limited
19. Notes to the Financial Statements for the 15 months ended March 31, 2012

8. Quantitative particulars of production and sales

Particulars	For the Period ended 31-Mar-2012 Rs. in Lacs		For the Year ended 31-Dec-2010 Rs. in Lacs	
Quantitative particulars of production and sales				
(i) Licensed Capacity		Not Applicable		Not Applicable
(ii) Installed Capacity		Not Applicable		Not Applicable
(iii) Actual Production				
Digitized data capture/Photo composed books (pages)		2,182,980		1,756,715
(iv) Turnover (including presentations and specimens)				
Digitized data capture/Photo composed books (pages)	2,182,980	13,219.79	1,756,715	9,769.52
Digitized data capture (Advertisements)		1,162.61		932.26
Learning and multimedia		691.17		378.80
Web Hosting and software		1,737.39		22.29
Order Processing and Subscription Management		2,289.83		1,639.40
		19,100.79		12,742.27

9. Earnings in foreign exchange

Particulars	For the Period ended 31-Mar-2012 Rs. in Lacs	For the Year ended 31-Dec-2010 Rs. in Lacs
Export of goods/services calculated on FOB basis	19,087.34	12,742.27

10. Value of imports on CIF basis

Particulars	For the Period ended 31-Mar-2012 Rs. in Lacs	For the Year ended 31-Dec-2010 Rs. in Lacs
Plant and Machinery	69.15	179.38

11. Amount remitted during the year in foreign currency on account of:

Particulars	For the Period ended 31-Mar-2012 Rs. in Lacs	For the Year ended 31-Dec-2010 Rs. in Lacs
Dividend	-	103.40
Number of Non - Resident Shareholders	-	1
Number of Shares held by them	-	1,03,39,980
Year to which it relates	-	2009

12. Expenditure in foreign currency

Particulars	For the Period ended 31-Mar-2012 Rs. in Lacs	For the Year ended 31-Dec-2010 Rs. in Lacs
Outsourced services	426.82	1,314.70
Salaries, wages and bonus	1,267.36	16.81
Rates and taxes	63.42	5.07
Rent	100.49	-
Repairs and maintenance	52.37	-
Travel	111.77	131.66
Communication	108.70	15.40
Trademark fees	49.06	64.61
Others	127.44	7.05

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

MPS Limited
19. Notes to the Financial Statements for the 15 months ended March 31, 2012

13. Employee Benefits:

(i) Defined Contribution Plans

The contributions recognized in the Profit and Loss account during the year are as under:

Particulars	For the Period ended 31-Mar-2012 Rs. in Lacs	For the Year ended 31-Dec-2010 Rs. in Lacs
Provident Fund	379.44	312.02
Superannuation Fund	7.76	5.85
	387.20	317.87

(ii) Defined Benefit Plans

(1) Gratuity
The details of defined benefits cost and obligation as per actuarial valuation are given below:

Particulars	31-Mar-12 Rs. in Lacs	31-Dec-10 Rs. in Lacs
Gratuity:		
Defined benefit Plans		
(a) Change in Benefit Obligation		
Liability at the beginning of the year	413.81	324.87
Interest Cost	39.70	24.15
Current Service Cost	123.41	95.70
Benefit Paid	(122.41)	(46.03)
Actuarial (gain)/loss on obligations	(93.39)	(1.64)
Transfer from MPST on account of amalgamation, (Refer Note I of Schedule 19)		16.76
Liability at the end of the year	**361.12**	**413.81**
(b) Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	388.60	321.96
Expected Return on Plan Assets	37.23	26.48
Contributions	141.26	64.17
Benefit Paid	(122.41)	(46.03)
Actuarial gain/(loss) on Plan Assets	(11.23)	5.71
Transfer from MPST on account of amalgamation, (Refer Note I of Schedule 19)	-	16.31
Fair value of plan assets at the end of the year	**433.45**	**388.60**
(c) Actual Return on Plan Assets		
Expected Return on Plan Assets	37.23	26.48
Actuarial gain/(loss) on Plan Assets	(11.23)	5.71
Actual Return on Plan Assets	**26.00**	**32.19**
(d) Amount Recognised in the Balance Sheet		
Liability at the end of the year	(361.12)	(413.81)
Fair Value of Plan Assets at the end of the year	433.45	388.60
Difference (Funded Status)	72.33	(25.21)
Amount Recognized in the Balance Sheet	**72.33**	**(25.21)**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

13. Employee Benefits (Contd...)

Particulars	31-Mar-12 Rs. in Lacs	31-Dec-10 Rs. in Lacs
(e) Expenses Recognised in the Income Statement		
Current Service Cost	123.41	95.70
Interest Cost	39.70	24.15
Expected Return on Plan Assets	(37.23)	(26.48)
Net Actuarial (Gain) / loss to be recognized	(82.16)	(7.35)
Expense Recognized in Profit and Loss Account	**43.72**	**86.02**
(f) Balance Sheet Reconciliation		
Opening Net Liability	25.21	2.91
Expense as above	43.72	86.02
Employers Contribution	(141.26)	(64.17)
Transfer from MPST on account of amalgamation, (Refer Note I of Schedule 19)	-	0.45
Amount Recognized in Balance Sheet	**(72.33)**	**25.21**
(g) Actuarial Assumptions : For the year (Refer notes below)		
Discount Rate Current	8.50%	8%
Expected Return of Plan Assets	8.50%	8%
Salary Escalation Current	6%	6%
Rate of Mortality	As per LIC (1994-96) Mortality Table	As per LIC (1994-96) Mortality Table

Experience adjustments	31-Mar-12	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
Defined Benefit Obligation	361.12	413.81	324.87	305.98	606.01
Plan Assets	433.45	388.60	321.96	265.45	541.25
Surplus / (Deficit)	72.33	(25.21)	(2.91)	(40.53)	(64.76)
Experience adjustments on Plan Liabilities	(6.84)	Refer note (iv)			
Experience adjustments on Plan Assets	5.09				

(2) Compensated absences as at 31-March-2012 is Rs.(6.13) Lacs [PY - Rs.(51.61) Lacs]
Compensated absences are actuarially valued as at the end of the period / year. The actuarial assumptions are as under :

Particulars	31-Mar-12	31-Dec-10
Discount Rate Current	8.50%	8%
Expected Return of Plan Assets	8.50%	8%
Salary Escalation Current	6%	6%

Notes :

(i) The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

(ii) The estimate of future salary increases considered, takes into account the inflation , seniority, promotion, increments and other relevant factors.

(iii) The entire Plan Assets are managed by the Life Insurance Corporation of India (LIC). The details with respect to the composition of investments in the fair value of Plan Assets have not been disclosed in the absence of the necessary information.

(iv) The details of experience adjustments arising on account of plan assets and liabilities for the years 2007 to 2010 as required by Accounting Standard (AS) – 15 (Revised) "Employee Benefits" are not available in valuation report.

(v) The Company's best estimate, as soon as it can reasonably be determined of contributions expected to be paid to the plan during the annual period beginning after the balance sheet date Rs. Nil.(PY - Rs.89 Lacs)

The above disclosure excludes the figures of the overseas branch, as it is governed by the laws prevailing in the United States of America.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

MPS Limited
19. Notes to the Financial Statements for the 15 months ended March 31, 2012

14. Segment Reporting:

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

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

Revenue by location of customer	For the Period ended 31-Mar-2012 Rs. in Lacs	For the Year ended 31-Dec-2010 Rs. in Lacs
India	13.83	-
Europe	8,597.78	5,779.89
USA	9,785.03	6,675.78
Rest of the World	704.15	286.60
Total	19,100.79	12,742.27

Carrying amount of Segment Assets by geographical location	As at 31-Mar-12 Rs. in Lacs	As at 31-Dec-10 Rs. in Lacs
India	7,189.52	8,155.79
Europe	1,363.10	2,071.27
USA	1,346.75	1,769.36
Rest of the World	104.83	99.59
Total	10,004.20	12,096.01

Cost incurred for purchase of Tangible Assets and Intangible Assets by geographical location	As at 31-Mar-12 Rs. in Lacs	As at 31-Dec-10 Rs. in Lacs
India	226.50	796.31
USA	1.72	122.69
Total	228.22	919.00

15. Related Party Disclosure

(i) Parties where control exists

Ultimate Holding Company: Georg Von Holtzbrinck GmbH & Co. K.G. (upto 11-October-2011)

Holding Company: H M Publishers Holdings Limited (upto 11-October-2011)
ADI BPO Services Limited (w.e.f. 12-October-2011)

(ii) Fellow Subsidiaries upto 11-October-2011

Macmillan Publishers Limited,UK	Macmillan Iberia SAU
Macmillan Publishers China Ltd	Macmillan Education, SA
Macmillan Publishers Australia Proprietary Limited	Ediciones Castillo Group Macmillan, Mexico
Macmillan Hellas (Greece)	Gill & Macmillan Publishers (Ireland)
Holtzbrinck Publishers Holdings Limited	Macmillan Publishers Holdings LLC
Nature Publishing Group	Macmillan Education Limited
Kingfisher Publications Limited	Macmillan Publishers India Limited
HGV Hanseatische Gasellschaft	Euro script GmbH
Macmillan Poland	

(iii) Subsidiaries upto 31-December-2011

MPS Content Services Inc., USA
MPS Technologies Limited
MPS Content Services India Private Limited

(iv) Key Management personnel

Mr. Nishith Arora, Chairman (w.e.f. 17-January-2012)
Mr. Rajiv K Seth, Managing Director

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

MPS Limited
19. Notes to the Financial Statements for the 15 months ended March 31, 2012

(v) Related party Transactions

a. Service Income	For the Period ended 31-Mar-2012 Rs. in Lacs	For the Year ended 31-Dec-2010 Rs. in Lacs
Macmillan Publishers Limited, UK	1,526.34	1,784.03
Macmillan Publishers Holdings LLC	285.49	334.57
Macmillan Publishers China Ltd	1.52	2.50
Nature Publishing Group	478.86	275.99
Macmillan Poland	15.83	17.34
Macmillan Publishers Australia Proprietary Limited	20.21	7.84
HGV Hanseatische Gesellschaft	9.36	19.20
Euro script GmbH	518.75	125.98
Gill & Macmillan Publishers (Ireland)	42.69	23.60
Macmillan Hellas (Greece)	-	16.46
Ediciones Castillo Group Macmilan,Mexico	-	33.85
Macmillan Iberia SAU	41.47	31.18
Kingfisher Publication Limited	-	1.49
Macmillan Education, SA	37.11	4.32
Macmillan Publishers India Limited	13.26	-
	2,990.89	2,678.35

b. Sales Inwards	For the Period ended 31-Mar-2012 Rs. in Lacs	For the Year ended 31-Dec-2010 Rs. in Lacs
Macmillan Education Limited	-	20.23

c. Purchase and Charges	For the Period ended 31-Mar-2012 Rs. in Lacs	For the Year ended 31-Dec-2010 Rs. in Lacs
MPS Content Services Inc., USA	-	1,258.72

d. Share of Expenses	For the Period ended 31-Mar-2012 Rs. in Lacs	For the Year ended 31-Dec-2010 Rs. in Lacs
Macmillan Publishers India Ltd	40.90	5.85
Macmillan Publishers Limited, UK	271.01	439.53
Macmillan Publishers Holdings LLC	40.89	41.25
MPS Technologies Limited	-	149.72
	352.80	636.35

e. Trademark fees	For the Period ended 31-Mar-2012 Rs. in Lacs	For the Year ended 31-Dec-2010 Rs. in Lacs
HM Publishers Holdings Limited	49.06	64.61

f. Dividend	For the Period ended 31-Mar-2012 Rs. in Lacs	For the Year ended 31-Dec-2010 Rs. in Lacs
ADI BPO Services Limited	256.61	-

g. Bad debts written off	For the Period ended 31-Mar-2012 Rs. in Lacs	For the Year ended 31-Dec-2010 Rs. in Lacs
Macmillan Education Limited	8.04	-
Macmillan Publishers Holdings LLC	3.22	-
	11.26	-

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

MPS Limited

19. Notes to the Financial Statements for the 15 months ended March 31, 2012

h. Remuneration to Key Management Personnel	For the Period ended 31-Mar-2012 Rs. in Lacs	For the Year ended 31-Dec-2010 Rs. in Lacs
Mr. Rajiv K Seth, Managing Director	166.26	73.00

Balance as on Balance Sheet date

Debtors	As at 31-Mar-12 Rs. in Lacs	As at 31-Dec-10 Rs. in Lacs
Macmillan Publishers Limited, UK	-	421.91
Macmillan Publishers Holdings LLC	-	60.43
Macmillan Education Limited	-	16.54
Nature Publishing Group	-	136.36
Macmillan Publishers Australia Proprietary Limited	-	6.23
HGV Hanseatische Gesellschaft	-	3.85
Euro script GmbH	-	71.84
Gill & Macmillan Publishers (Ireland)	-	14.57
Macmillan Iberia SAU	-	8.27
Macmillan Poland	-	17.37
Macmillan Publishers India Limited	-	6.92
Total	-	**764.29**

Creditors	As at 31-Mar-12 Rs. in Lacs	As at 31-Dec-10 Rs. in Lacs
HM Publishers Holdings Limited	-	114.33
Macmillan Publishers Limited, UK	-	1,482.15
Macmillan Education, SA	-	1.81
Holtzbrinck Publishers Holdings Ltd.	-	40.37
Macmillan Publishers India Limited	-	785.44
MPS Content Services Inc. USA	-	117.77
Less: Eliminated on Amalgamation	-	(117.77)
(Refer Note I of Schedule 19)	-	-
MPS Content Services India Pvt. Ltd	-	175.46
Less: Eliminated on Amalgamation	-	(175.46)
(Refer Note I of Schedule 19)	-	-
Total	-	**2,424.10**

Loans and Advances	As at 31-Mar-12 Rs. in Lacs	As at 31-Dec-10 Rs. in Lacs
MPS Content Services Inc. USA	-	662.19
Less: Eliminated on Amalgamation	-	(662.19)
(Refer Note I of Schedule 19)	-	-
MPS Technologies Limited	-	26.43
Less: Eliminated on Amalgamation	-	(26.43)
(Refer Note I of Schedule 19)	-	-
Total	-	-

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

MPS Limited
19. Notes to the Financial Statements for the 15 months ended March 31, 2012

Off-Balance Sheet items	As at 31-Mar-12 Rs. in Lacs	As at 31-Dec-10 Rs. in Lacs
Corporate guarantee given to Hong Kong Shanghai Banking Corporation by HM Publishers Holdings Limited for the line of credit availed by erstwhile subsidiary, MPS Content Services Inc., USA	-	371.68

Notes

1. Related party relationships are as identified by the Company on the basis of information available and relied upon by the auditors.

2. No amount has been written back during the year in respect of dues to related parties.

16. Leases

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 Account is Rs. 1,044.55 Lacs (PY - Rs. 780.17 Lacs)

The total of future minimum lease payments in respect of premises taken on lease under non-cancellable operating leases are as follows:

Operating Lease	For the Period ended 31-Mar-2012 Rs. in Lacs	For the Year ended 31-Dec-2010 Rs. in Lacs
Minimum Lease Rentals Payable		
- Within one year	75.84	166.99
- Later than one year and not later than five years	30.00	99.20
- Later than five years	-	-
	105.84	266.19

The above relate to operating leases having a non-cancellable period ranging from 1 to 2 years

17. Earnings per share

Particulars	For the Period ended 31-Mar-2012 Rs. in Lacs	For the Year ended 31-Dec-2010 Rs. in Lacs
Face Value per share	10	10
Profit / (Loss) after tax (Rs. in Lacs) (numerator)	1,087.13	(880.71)
Weighted average number of shares outstanding during the year (denominator)	16,822,668	16,822,668
Basic & Diluted Earnings per share (in Rupees)	6.46	(5.24)

18. Taxes

a. Current tax expense includes foreign taxes of Rs. 69.37 Lacs (PY - Rs. 4.45 Lacs).

b. Breakup of Deferred Tax Asset and Deferred Tax Liability arising out of timing differences.

Particulars	As at 31-Mar-12 Rs. in Lacs	As at 31-Dec-10 Rs. in Lacs
a) Deferred Tax Assets arising on		
Provision for Doubtful Debts	54.79	51.74
Provision for Gratuity, Compensated Absences and Bonus	55.17	125.94
Others	-	16.37
Total	109.96	194.05
b) Deferred Tax Liability arising on		
Depreciation	118.60	211.68
Net Deferred Tax Liability	8.64	17.63

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

19. (a) Forward contracts entered into to hedge the foreign currency risk of highly probable transactions and outstanding as at Balance Sheet date are as under:

Forward Contracts (Sell)	As at 31-Mar-12		As at 31-Dec-10	
	Number of contracts	Value in FC	Number of contracts	Value in FC
USD	5	5,600,000	10	10,500,000
GBP	5	1,300,000	8	2,000,000
EURO	-	-	2	450,000

Forward Contracts (Buy)	As at 31-Mar-12		As at 31-Dec-10	
	Number of contracts	Value in FC	Number of contracts	Value in FC
USD	-	-	1	400,000

The Mark to Market loss arising on the above forward contracts recognised in the Profit and Loss account in accordance with the announcement by the Institute of Chartered Accountants of India (ICAI) in respect of 'Accounting for Derivatives', amounts to Rs. 338.79 Lacs. The remeasurement of forward contracts outstanding as at 31 December 2010 resulted in Mark to Market gains of Rs. 174.99 lacs for the year ended on that date, which were not recognised in the Profit and Loss account as a matter of prudence.

(b) The foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31-March-2012 are given below:

Receivable in	As at 31-Mar-12		As at 31-Dec-10	
	Value in FC	Rs. in Lacs	Value in FC	Rs. in Lacs
AUD	31,382	16.60	48,081	21.93
CAD	5,382	2.75	1,133	0.51
EUR	177,903	120.82	120,552	72.27
GBP	940,428	765.34	1,078,768	754.06
NZD	32,130	13.45	63,421	22.03
SGD	4,035	1.63	17,080	5.95
USD	2,953,239	1,502.46	3,640,754	1,632.15

Payable in	As at 31-Mar-12		As at 31-Dec-10	
	Value in FC	Rs. in Lacs	Value in FC	Rs. in Lacs
EUR	140,574	95.47	-	-
GBP	192,532	156.69	3,032,647	2,119.84
USD	426,770	217.12	1,841,351	825.52

Bank Balance in	As at 31-Mar-12		As at 31-Dec-10	
	Value in FC	Rs. in Lacs	Value in FC	Rs. in Lacs
EUR	83,327	56.59	147,114	88.19
GBP	326,303	265.55	1,466,324	1,024.97
USD	638,513	324.84	2,289,956	1,026.64

For and on behalf of Board

Nishith Arora
Chairman

Vijay Sood
Director

Supriya Kumar Guha
Company Secretary

Place: MUMBAI
Date: 28-05-2012

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

Deloitte Haskins & Sells

Chartered Accountants
Deloitte Centre
Anchorage II
100/2 Richmond Road
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INDIA

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MPS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MPS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March , 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

   (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Monisha Parikh

Monisha Parikh
Partner
(Membership No. 47840)

MUMBAI, 27th May, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

(i) Having regard to the nature of the Company's business/activities/results during the year, clauses ii, v, vi, viii, xii, xiii, xiv, xvi, xix, xx of paragraph 4 of the Order are not applicable.

(ii) In respect of its fixed assets:

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

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

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) The Company has neither granted nor taken any loans, secured or unsecured to/ from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the rendering of services. During the course of our audit, we have not observed any major weakness in such internal control system. The activities of the Company do not involve purchase of inventory and sale of goods.

(v) In our opinion, the internal audit functions carried out during the year by an external agency appointed by the Management have been commensurate with the size and the nature of its business.

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable, other than Rs. 17,699 relating to Service Tax which has been deposited by the Company subsequent to the year end.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013 on account of disputes are given below:

Statute	**Nature of Dues**	**Forum where Dispute is pending**	**Year to which the amount relates**	**Amount involved (Rs. in lacs)**
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2004-05 and 2006-07	143.95
		Commissioner of Income Tax (Appeals)	2006-07 and 2007-08	496.87
		Dispute Resolution Panel (DRP)	2009-10	13.15
The Finance Act	Service Tax	Customs and Excise Service Tax Appellate Tribunal	April 06 to September, 2008	191.47

(vii) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. There are no borrowings from financial institutions and the Company has not issued any debentures.

(ix) The Company has not given any guarantee for loans taken by others from banks or financial institutions.

(x) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have, prima facie, not been used during the year for long- term investment.

(xi) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.

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

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

Monisha Parikh
Partner
(Membership No. 47840)

MUMBAI, 27th May, 2013

MPS Limited

Registered Office: 4th Floor, R.R Towers IV, T.V.K. Industrial Estate, Guindy, Chennai 600 032

Balance Sheet as at 31-Mar-2013

	Particulars	Note No.	As at 31-Mar-2013 INR in Lacs	As at 31-Mar-2012 INR in Lacs
I	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	1,682.27	1,682.27
	(b) Reserves and surplus	4	6,582.38	5,348.54
			8,264.65	**7,030.81**
2	**Non-current liabilities**			
	(a) Long-term borrowings	5	12.45	50.88
	(b) Deferred tax liabilities (net)	30.3	-	8.64
	(c) Other long-term liabilities	6	9.10	133.56
			21.55	**193.08**
3	**Current liabilities**			
	(a) Short-term borrowings	7	440.74	440.74
	(b) Trade payables	8	1,948.32	1,564.84
	(c) Other current liabilities	9	646.49	408.03
	(d) Short-term provisions	10	16.80	765.38
			3,052.35	**3,178.99**
	TOTAL		**11,338.55**	**10,402.88**
II	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	11.A	1,900.77	2,188.20
	(ii) Intangible assets	11.B	275.80	461.99
			2,176.57	2,650.19
	(b) Deferred tax assets (net)	30.3	65.99	-
	(c) Long-term loans and advances	12	1,782.65	1,464.96
	(d) Other non-current assets	13	17.34	20.31
			4,042.55	**4,135.46**
2	**Current assets**			
	(a) Current investments	14	1,773.12	1,220.19
	(b) Inventories	15	889.55	924.95
	(c) Trade receivables	16	2,730.94	2,423.53
	(d) Cash and cash equivalents	17	1,110.39	893.10
	(e) Short-term loans and advances	18	673.13	804.66
	(f) Other current assets	19	118.87	0.99
			7,296.00	**6,267.42**
	TOTAL		**11,338.55**	**10,402.88**
	See accompanying notes forming part of the financial statements			

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

Monisha Parikh
Partner

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

Place : Mumbai
Date : 27th May, 2013

For and on behalf of the Board of Directors

Nishith Arora
Chairman and Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Supriya Kumar Guha
Company Secretary

Place : Mumbai
Date : 27th May, 2013

MPS LIMITED

MPS

MPS Limited

Registered Office: 4th Floor, R.R Towers IV, T.V.K. Industrial Estate, Guindy, Chennai 600 032

Statement of Profit and Loss for the year ended 31-Mar-2013

	Particulars	Note No.	For the year ended 31 Mar-2013	For the period ended 31-Mar-2012
			INR in Lacs	INR in Lacs
I	Revenue from operations (net)	20	16,399.59	19,100.79
II	Other Income	21	497.80	672.26
III	**Total Revenue (I+II)**		16,897.39	19,773.05
IV	**Expenses**			
	(a) Changes in inventories of work-in-process	22	35.40	199.71
	(b) Employee benefits expense	23	7,712.43	10,686.56
	(c) Finance costs	24	58.77	129.99
	(d) Depreciation and amortisation expenses	11	736.17	1,068.10
	(e) Other expenses	25	4,360.01	6,233.17
	Total Expenses		12,902.78	18,317.53
V	**Profit before tax (III-IV)**		**3,994.61**	**1,455.52**
VI	**Tax expense:**			
	(a) Current tax		1,221.99	377.38
	(b) (Less): MAT credit		(294.14)	-
	(c) (Excess) provision for tax relating to prior years		(47.63)	-
	(d) Net current tax expense		**880.22**	**377.38**
	(e) Deferred tax		(74.63)	(8.99)
	Net tax expenses		**805.59**	**368.39**
VII	**Profit for the year/ period (V-VI)**		**3,189.02**	**1,087.13**
VIII	**Earnings per equity share (of Rs. 10 each)**			
	Basic and Diluted	30.2	18.96	6.46
	See accompanying notes forming part of the financial statements			

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

Monisha Parikh
Partner

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

Place : Mumbai
Date : 27th May, 2013

For and on behalf of the Board of Directors

Nishith Arora
Chairman and Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Supriya Kumar Guha
Company Secretary

Place : Mumbai
Date : 27th May, 2013

MPS LIMITED

MPS Limited
CASH FLOW STATEMENT FOR THE YEAR 01-APR-2012 to 31-MAR-2013

MPS

Description	For the year ended 31-Mar-13 INR in Lacs		For the period ended 31-Mar-12 INR in Lacs	
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit before tax		3,994.61		1,455.52
Adjustments for:				
Depreciation/Amortisation	736.17		1,068.10	
Interest income	(10.44)		(37.33)	
Income from Mutual Funds	(107.96)		(20.19)	
Interest expenses	58.77		129.99	
Loss on Sale/disposal / write-off of fixed assets (net)	20.66		175.73	
Provision for doubtful trade receivables no longer required written back	(3.67)		-	
Liabilities/Provisions no longer required written back	(57.57)		(172.98)	
Provision for doubtful trade receivables / loans and advances	33.27		25.50	
Bad debts written off	7.95		97.09	
Unrealised exchange difference (net)	(155.81)		85.37	
Unrealised Marked to Market loss on Forward Contracts	(338.79)		338.79	
		182.58		1,690.07
Operating profit before working capital changes		4,177.19		3,145.59
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories of Work in Process	35.40		199.71	
Trade receivables	(471.48)		437.86	
Short-term loans and advances	64.99		(336.78)	
Other current assets	(118.11)		-	
Long-term loans and advances	(233.73)		415.44	
Other Non Current Assets	38.13		(35.79)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	397.36		(2,896.44)	
Other current liabilities	238.99		(42.73)	
Other long-term liabilities	(124.46)		-	
		(172.91)		(2,258.73)
Cash generated from operations		4,004.28		886.86
Net income tax (paid) / refunds		(848.62)		(206.89)
Net cash flow from operating activities (A)		3,155.66		679.97
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances	(393.00)		(228.22)	
Proceeds from disposal of fixed assets	86.02		46.86	
Purchase of Investments - Others	(552.93)		(1,220.19)	
Interest received	10.67		37.23	
Dividends received	107.96		20.19	
Net cash used in investing activities (B)		(741.28)		(1,344.13)

MPS LIMITED

MPS Limited
CASH FLOW STATEMENT FOR THE YEAR 01-APR-2012 to 31-MAR-2013

MPS

Description	For the year ended 31-Mar-13 INR in Lacs		For the period ended 31-Mar-12 INR in Lacs	
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Secured Loans	-		921.91	
Repayment of Secured Loans	(57.27)		(1,928.21)	
Proceeds from Unsecured Loans	-		653.43	
Repayment of Unsecured Loans	-		(150.00)	
Finance costs	(10.97)		(47.06)	
Dividend paid	(2,019.35)		(336.45)	
Tax on dividend	(327.49)		(54.58)	
Net cash used in financing activities (C)		(2,415.08)		(940.96)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**(0.70)**		**(1,605.12)**
Opening Balance of Cash	891.31		2,551.53	
Add / (Less) :-Unrealised exchange Gain / (Loss) of Previous Period	215.69		160.59	
	1,107.00		2,712.12	
Closing Balance of Cash	1,109.22		891.31	
Add / (Less) :-Unrealised exchange Gain / (Loss) of Current Year	(2.92)		215.69	
	1,106.30		1,107.00	
		(0.70)		**(1,605.12)**
Reconciliation of cash and cash equivalents with the Balance Sheet:				
Cash and bank balances as per Balance Sheet (Refer Note 16)	1,110.39		893.10	
Less: Bank balances not considered as Cash and cash equivalents In earmarked accounts				
-Unpaid dividends accounts	1.17		1.79	
Cash and cash equivalents at the end of the year*		1,109.22		891.31
*Comprises:				
(i) In current accounts	725.35		389.50	
(ii) In EEFC accounts	278.87		306.07	
(iii) In demand deposit accounts	105.00		195.74	
		1,109.22		891.31

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh
Partner

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

Place : Mumbai
Date : 27th May, 2013

For and on behalf of the Board of Directors

Nishith Arora
Chairman and Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Supriya Kumar Guha
Company Secretary

Place : Mumbai
Date : 27th May, 2013

MPS LIMITED

MPS Limited

Notes forming part of the financial statements

Note	Particulars
1	**Corporate information**
1.1	**Background** MPS Limited, (the Company) is engaged in the business of providing publishing solutions viz., typesetting and data digitization services for overseas publishers. The Company has a 100% Export Oriented Unit in Bengaluru, and units registered under the Software Technology Park of India (STPI) scheme that are located in Chennai, Delhi , Gurgaon and Dehradun. The Company also operates through its branch in United States of America. The Company provides Publishing services relating to typesetting of books and journals, composing of Yellow Page Advertisements and catalogues, data coding, conversion, indexing, editing, copy editing, editorial services, software development, maintenance and support to global publishers. On 11-October-2011, ADI BPO Services Limited entered into a Share Purchase Agreement with HM Publishers Holdings Limited, the erstwhile Holding Company and purchased its entire shareholding in the Company, comprising 10,339,980 equity shares representing 61.46% of the issued, subscribed and paid up equity capital of the Company. As at 31-March-2013, ADI BPO Services Limited, the holding company held 12,616,996 equity shares representing 75% of the issued, subscribed and paid up equity capital of the Company.
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 the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention . The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
2.2	**Use of estimates** The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
2.3	**Inventories** Inventories comprising Work in Process, are valued at the lower of cost and net realisable value. The cost comprises direct cost and appropriate proportion of overheads.
2.4	**Cash and cash equivalents (for purposes of Cash Flow Statement)** Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
2.5	**Cash flow statement** Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS

Note	Particulars
2.6	**Depreciation and amortisation** Depreciation has been provided on the Written Down Value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under: **(i)** Computer software of the publishing solutions business is amortized over a period of 2 to 5 years, based on the future economic benefits, as estimated by the management. **(ii)** Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation **(iii)** The cost of improvements to leasehold premises is amortized over the primary / extended period of lease. **(iv)** In the foreign branch of the company located in United States of America , Fixed Assets are depreciated based on their estimated useful life as follows: Plant & Machinery - 5 years. Intangible Software - 5 years. Furniture & Fixtures - 7 years. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the depreciation / amortisation is revised to reflect the changed pattern.
2.7	**Revenue recognition** Revenue is recognized on delivery of projects or as per terms specified in contracts/purchase orders received from customers. Revenues for web-site design and development are recognised based on the percentage of completion of the project. Revenues from web-site hosting are recognised rateably over the year for which the site is hosted.
2.8	**Other income** Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established. Rental Income is recognized as per contractual terms. Interest income is accounted on accrual basis.
2.9	**Fixed Assets (Tangible / Intangible)** Fixed assets, are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. <u>Capital work-in-process:</u> Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.
2.10	**Foreign currency transactions and translations** Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items (other than derivative contracts) of the Company and its integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items are carried at historical cost. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LTD

Note	Particulars
	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 include acquisition charges such as brokerage, fees and duties.
2.12	**Employee benefits** Employee benefits include contribution to Provident fund, Superannuation fund, Gratuity fund, Compensated absences and Employee State Insurance scheme. Defined contribution plans The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made. Defined benefit plans For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes. Short-term employee benefits The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under : (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur. Long-term employee benefits Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled
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.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

Note	Particulars
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 revalued 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 other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.
2.19	**Service tax input credit** Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.
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.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LTD

MPS Limited
Notes forming part of the financial statements

Note 3 Share capital

Particulars	As at 31-Mar-13		As at 31-Mar-12	
	Number of shares	Amount in INR Lacs	Number of shares	Amount in INR Lacs
(a) Authorised share capital				
Equity shares of Rs.10 /- each with voting rights	20,000,000	2,000.00	20,000,000	2,000.00
(b) Issued, Subscribed and fully paid up share capital				
Equity shares of Rs.10 /- each with voting rights	16,822,668	1,682.27	16,822,668	1,682.27
Total		**1,682.27**		**1,682.27**

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

Particulars	As at 31-Mar-13		As at 31-Mar-12	
	Number of shares	Amount in INR Lacs	Number of shares	Amount in INR Lacs
Equity shares (with voting rights)				
At the beginning of the year / period	16,822,668	1,682.27	16,822,668	1,682.27
Add: Fresh issue / buyback of shares	-	-	-	-
At the end of the year / period	16,822,668	1,682.27	16,822,668	1,682.27

(ii) Terms/rights attached to equity shares

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

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

Equity shares with voting rights

Particulars	As at 31-Mar-13	As at 31-Mar-12
	Number of shares	Number of shares
ADI BPO Services Limited, the holding company	12,616,996	12,831,496

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

Class of shares / Name of shareholder	As at 31-Mar-13		As at 31-Mar-12	
	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	75.00%	12,831,496	76.27%

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LTD

MPS Limited
Notes forming part of the financial statements

Note 4 Reserves and surplus

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	INR in Lacs	INR in Lacs
(a) General reserve:		
Opening balance	108.71	-
Add: Transferred from surplus in Statement of Profit and Loss	318.90	108.71
Closing balance	427.61	108.71
(b) Surplus in Statement of Profit and Loss:		
Opening balance	5,239.83	5,043.47
Add: Profit for the year	3,189.02	1,087.13
Less: Interim dividend	1,682.27	336.45
Dividends proposed to be distributed to equity shareholders Rs. Nil per Share (As at 31-March-2012 Rs. 2 Per share)		336.45
Tax on dividends	272.91	109.16
Transferred to general reserve	318.90	108.71
Closing Balance	6,154.77	5,239.83
	6,582.38	**5,348.54**

Note 5 Long-term borrowings

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	INR in Lacs	INR in Lacs
Long-term Secured loans from Bank (Refer note (i) below)	12.45	50.88
	12.45	**50.88**

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

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	INR in Lacs	INR in Lacs
Long-term Secured loans from Bank (i) Repayable over a period of 36 monthly instalmants with interest of 9.75% to 10.25% p.a. (ii) Vehicles purchased against these loans are offered as security	22.75	80.02
Less: Current Maturities of Long-term Secured loans from Bank (As per Note 9)	10.30	29.14
Total	12.45	50.88

Note 6 Other long-term liabilities

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	INR in Lacs	INR in Lacs
(a) Rental Deposit	-	133.56
(b) Rent-equalisation reserve	9.10	-
	9.10	**133.56**

Note 7 Short-term borrowings

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	INR in Lacs	INR in Lacs
Unsecured Loan	440.74	440.74
	440.74	**440.74**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

MPS Limited
Notes forming part of the financial statements

Note 8 Trade payables

Particulars	As at 31-Mar-2013 INR in Lacs	As at 31-Mar-2012 INR in Lacs
Trade payables - Other than acceptances	1,948.32	1,564.84
	1,948.32	**1,564.84**

Note 9 Other current liabilities

Particulars	As at 31-Mar-2013 INR in Lacs	As at 31-Mar-2012 INR in Lacs
(a) Current maturities of secured loan (Refer Note 5)	10.30	29.14
(b) Income received in advance (Unearned revenue)	99.28	117.25
(c) Unclaimed dividends*	1.17	1.79
(d) Rental Deposits	133.56	-
(e) Book Overdraft	76.55	57.73
(f) Interest accrued but not due	104.50	63.25
(g) Other payables:		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, VAT, Service Tax, etc.)	104.52	108.50
(ii) Payables on purchase of fixed assets	19.90	24.24
(iii)Advance received against proposed sale of Fixed Assets	48.92	-
(iv) Compensated Absences	15.62	6.13
(v) Gratuity	26.57	-
(vi) Others	5.60	-
	646.49	**408.03**

* There is no amount falling due as at the Balance Sheet date to be credited to the Investor Education and Protection Fund and the above amount represents Dividend Warrants issued but not encashed and excludes unencashed demand drafts of INR 28.88 Lacs (PY - INR 5.38 Lacs)

Note 10 Short-term provisions

Particulars	As at 31-Mar-2013 INR in Lacs	As at 31-Mar-2012 INR in Lacs
(a) Provision for tax (net of payments)	16.80	35.56
(b) Provision for Marked to Market Losses on Forward Contracts	-	338.79
(c) Provision for proposed equity dividend	-	336.45
(d) Provision for tax on proposed dividend	-	54.58
	16.80	**765.38**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LIMITED

MPS Limited
Notes forming part of the financial statements

Note 11 Fixed assets

INR in Lacs

A. Tangible assets	Gross block					Accumulated Depreciation					Net Block	
	Balance as at 1 April, 2012	Additions / Adjustments	Disposals / Adjustments	Assets Held for Sale (Refer Note 19)	Balance as at 31 March, 2013	Balance as at 1 April, 2012	For the Year	Disposals / Adjustments	Assets Held for Sale (Refer Note 19)	Balance as at 31 March, 2013	As at 31 March, 2013	As at 31 March, 2012
(a) Land*	405.05 (405.05)	- (-)	- (-)	- (-)	405.05 (405.05)	- (-)	- (-)	- (-)	- (-)	- (-)	405.05 (405.05)	405.05 (405.05)
(b) Buildings*	1,430.41 (1,430.41)	- (-)	- (-)	- (-)	1,430.41 (1,430.41)	698.43 (649.66)	36.60 (48.77)	- (-)	- (-)	735.03 (698.43)	695.38 (731.98)	731.98 (780.75)
(c) Plant & Machinery	3,305.60 (3,661.80)	519.83 (163.44)	154.62 (519.64)	154.38 (-)	3,516.43 (3,305.60)	2,653.95 (2,768.80)	307.09 (382.23)	(33.25) (497.08)	107.70 (-)	2,886.59 (2,653.95)	629.84 (651.65)	651.65 (893.00)
(d) Furniture and Fixtures	918.01 (1,078.29)	12.72 (4.38)	452.29 (164.66)	32.10 (-)	446.34 (918.01)	661.55 (692.38)	42.65 (93.05)	280.95 (123.88)	23.77 (-)	399.48 (661.55)	46.86 (256.46)	256.46 (385.91)
(e) Vehicles	217.79 (285.72)	63.66 (0.43)	136.03 (68.36)	- (-)	145.42 (217.79)	127.68 (130.01)	21.23 (48.51)	87.71 (50.84)	- (-)	61.20 (127.68)	84.22 (90.11)	90.11 (155.71)
(f) Leasehold improvements	184.09 (187.99)	129.93 (-)	3.88 (3.90)	213.06 (-)	97.08 (184.09)	131.14 (96.01)	47.75 (36.10)	(54.25) (0.97)	175.48 (-)	57.66 (131.14)	39.42 (52.95)	52.95 (91.98)
Total	6,460.95	726.14	746.82	399.54	6,040.73	4,272.75	455.32	281.16	306.95	4,139.96	1,900.77	2,188.20
Previous year	(7,049.26)	(168.25)	(756.56)	-	(6,460.95)	(4,336.86)	(608.66)	(672.77)	-	(4,272.75)	(2,188.20)	(2,712.40)

B. Intangible assets	Gross block					Accumulated Depreciation					Net Block	
	Balance as at 1 April, 2012	Additions	Disposals	Assets Held for Sale	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Additions	Disposals	Assets Held for Sale	Balance as at 31 March, 2013	As at 31 March, 2013	As at 31 March, 2012
(i) Others - Software	1,610.83 (1,665.41)	94.66 (197.51)	- (252.09)	- (-)	1,705.49 (1,610.83)	1,148.84 (812.92)	280.85 (459.44)	- (123.52)	- (-)	1,429.69 (1,148.84)	275.80 (461.99)	461.99 (852.49)
Total	1,610.83	94.66	-	-	1,705.49	1,148.84	280.85	-	-	1,429.69	275.80	461.99
Previous year	(1,665.41)	(197.51)	(252.09)	(-)	(1,610.83)	(812.92)	(459.44)	(123.52)	(-)	(1,148.84)	(461.99)	(852.49)

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

Figures in brackets relate to previous year

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Note 12 Long-term loans and advances

Particulars	As at 31-Mar-2013 INR in Lacs	As at 31-Mar-2012 INR in Lacs
(a) Security deposits		
Unsecured, considered good *(Refer Note below)*	391.81	420.89
Doubtful	19.64	19.64
	411.45	440.53
Less: Provision for doubtful deposits	19.64	19.64
	391.81	420.89
(b) Prepaid expenses - Unsecured, considered good	13.58	3.11
(c) Advance income tax (net of provisions)	83.96	-
(d) Balances with government authorities - Unsecured, considered good		
(i) VAT refund receivable	6.52	-
(ii) Service Tax credit receivable	1,286.78	1,040.96
	1,782.65	**1,464.96**

Note:
Security Deposit includes INR 100 Lacs (As at 31-Mar-2012 INR Nil) placed with holding company (ADI BPO Services Ltd.)

Note 13 Other non-current assets

Particulars	As at 31-Mar-2013 INR in Lacs	As at 31-Mar-2012 INR in Lacs
(a) Long-term trade receivables		
Doubtful	-	17.58
	-	17.58
Less: Provision for doubtful trade receivables	-	17.58
	-	-
(b) Balances held as margin money or security against guarantees	17.34	20.31
	17.34	**20.31**

Note 14 Current investments

Particulars	As at 31-Mar-2013 INR in Lacs	As at 31-Mar-2012 INR in Lacs
Investment in mutual funds		
Birla Sun Life Cash Plus	188.66	304.25
Birla Sun Life Savings Fund	303.51	-
HDFC Liquid Fund	-	305.53
ICICI Prudential - Institutional Liquid Plan	306.49	305.14
Kotak Liquid Institutional Plan *	309.86	305.27
Kotak Liquid Scheme Plan A	7.68	-
Reliance Liquidity Fund	306.48	-
DWS Ultra Short Term Fund Institutional	0.17	-
Reliance Fixed Horizon Fund-XXIII Series 7	200.00	-
UTI-Treasury Advantage Fund - Institutional Plan	150.27	-
	1,773.12	1,220.19
Aggregate amount of quoted investments	**1,773.49**	**1,220.19**

* Mutual funds valued at Rs.200 Lacs, pledged with Kotak Mahindra Bank as security towards Hedging facilities availed by the Company.

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Note 15 Inventories

Particulars	As at 31-Mar-2013 INR in Lacs	As at 31-Mar-2012 INR in Lacs
Work-in-process	889.55	924.95
	889.55	**924.95**

Note 16 Trade receivables (Unsecured)

Particulars	As at 31-Mar-2013 INR in Lacs	As at 31-Mar-2012 INR in Lacs
Considered good	31.36	25.28
Doubtful	145.57	131.66
	176.93	**156.94**
Less: Provision for doubtful trade receivables	145.57	131.66
	31.36	**25.28**
Other Trade receivables		
Considered good	2,699.58	2,398.25
	2,730.94	**2,423.53**

Note 17 Cash and cash equivalents

Particulars	As at 31-Mar-2013 INR in Lacs	As at 31-Mar-2012 INR in Lacs
A. Cash and cash equivalents		
Balances with banks		
(i) In current accounts	725.35	389.50
(ii) In EEFC accounts	278.87	306.07
(iii) In demand deposit accounts	105.00	195.74
(iv) Unclaimed dividend accounts	1.17	1.79
	1,110.39	**893.10**
Out of the above the balances that meet the definition of Cash and Cash equivalents as per AS 3 Cash Flow Statement is :	1,109.22	891.31

Note 18 Short-term loans and advances

Particulars	As at 31-Mar-2013 INR in Lacs	As at 31-Mar-2012 INR in Lacs
(a) Security Deposits	196.34	174.59
Doubtful	17.27	-
	213.61	174.59
Less: Provision for doubtful deposits	17.27	-
	196.34	174.59
(b) Loans and advances to employees		
Unsecured, considered good	20.27	10.73
Doubtful	16.00	-
	36.27	10.73
Less: Provision for doubtful loans and advances	16.00	-
	20.27	10.73
(c) Prepaid expenses	84.35	82.65
(d) MAT credit entitlement	292.34	398.68
(e) Balances with government authorities		
(i) VAT credit receivable	5.62	7.28
(ii) Service Tax refund receivable	21.25	-
	26.87	7.28
(f) Others		
Unsecured, considered good	52.96	130.73
	673.13	**804.66**

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Note 19 Other current assets

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	INR in Lacs	INR in Lacs
(a) Interest accrued on deposits	0.76	0.99
(b) Receivables on sale of fixed assets	23.00	-
(c) Fixed assets held for sale(Refer Note 11)	92.59	-
(d) Others	2.52	-
	118.87	**0.99**

Note 20 Revenue from operations

Particulars	For the Year ended 31-Mar-2013	For the period ended 31-Mar-2012
	INR in Lacs	INR in Lacs
Sale of services		
(i) Exports (Earnings in Foreign Currency)	16,389.37	19,087.34
(ii) Domestic	10.22	13.45
	16,399.59	**19,100.79**

Note 21 Other Income

Particulars	For the Year ended 31-Mar-2013	For the period ended 31-Mar-2012
	INR in Lacs	INR in Lacs
(a) Interest income (Refer Note (i) below)	10.44	37.33
(b) Dividend Income:		
From current investments (mutual funds)	107.96	20.19
(c) Net gain on foreign currency transactions and translation	129.71	211.90
(d) Other non-operating income (Refer note (ii) below)	249.69	402.84
	497.80	**672.26**

Particulars	For the Year ended 31-Mar-2013	For the period ended 31-Mar-2012
	INR in Lacs	INR in Lacs
Note (i) Interest income comprises:		
(a) Interest from Banks on Deposits	4.00	31.67
(b) Interest on income tax refund	6.44	5.66
	10.44	37.33
Note (ii) Other non-operating income comprises:		
Rental income from operating leases	178.21	223.94
Liabilities / provisions no longer required written back	57.57	172.98
Provision for trade receivables no longer required written back	3.67	-
Miscellaneous income	10.24	5.92
	249.69	402.84

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Note 22 Changes in inventories of work-in-process

Particulars	For the Year ended 31-Mar-2013	For the period ended 31-Mar-2012
	INR in Lacs	INR in Lacs
Inventories at the end of the year:		
Work-in-process	889.55	924.95
Inventories at the beginning of the year:		
Work-in-process	924.95	1,124.66
	35.40	**199.71**

Note 23 Employee benefits expense

Particulars	For the Year ended 31-Mar-2013	For the period ended 31-Mar-2012
	INR in Lacs	INR in Lacs
Salaries and wages	6,738.64	9,408.19
Contributions to provident and other funds (Refer Note 27)	474.49	539.22
Staff welfare expenses	499.30	739.15
	7,712.43	**10,686.56**

Note 24 Finance costs

Particulars	For the Year ended 31-Mar-2013	For the period ended 31-Mar-2012
	INR in Lacs	INR in Lacs
(a) Interest expense on:		
(i) Borrowings	58.22	129.95
(iii) Delayed payment of income tax	0.55	0.04
	58.77	**129.99**

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Note 25 Other expenses

Particulars	For the Year ended 31-Mar-2013	For the period ended 31-Mar-2012
	INR in Lacs	INR in Lacs
Consumables	33.68	65.39
Outsourcing cost	982.07	1,493.94
Power and fuel	432.45	530.98
Rent including lease rentals (Refer Note 30.1)	870.60	1,044.55
Hire Charges	36.02	111.99
Repairs and maintenance - Buildings	243.16	364.11
Repairs and maintenance - Plant and Machinery	127.20	165.60
Repairs and maintenance - Others	4.57	12.34
Insurance	27.78	32.75
Rates and taxes	55.29	36.19
Communication	263.77	342.32
Travelling and conveyance	582.86	733.26
Legal and professional	233.57	258.35
Directors Sitting Fees	6.60	9.00
Commission to Non-executive directors	42.06	6.71
Payments to auditors (Refer Note (i) below)	60.33	68.85
Bad trade receivables written off	7.95	97.09
Loss on fixed assets sold / scrapped / written off	20.66	175.73
Provision for doubtful trade and other receivables, loans and advances	33.27	25.50
Marked to Market Losses on forward contracts	-	338.79
Miscellaneous expenses	296.12	319.73
	4,360.01	**6,233.17**

Note (i)

Particulars	For the Year ended 31-Mar-2013	For the period ended 31-Mar-2012
	INR in Lacs	INR in Lacs
Payments to the auditors comprises (net of service tax input credit, where applicable):		
(i) For Audit {includes corporate governance reporting INR 1 Lac} (For period ended 31-March-2012 INR 4 lacs for group reporting and INR 1 Lac for corporate governance)	28.00	35.00
(ii) For taxation matters	27.00	27.76
(iii) For other services (includes INR Nil for earlier years. Previous Period INR 1.05 lacs)	2.50	4.18
(iv) Reimbursement of expenses	2.83	1.91
	60.33	**68.85**

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Additional information to the financial statements

Note	Particulars	As at 31-Mar-2013 INR in Lacs	As at 31-Mar-2012 INR in Lacs
26.1	Contingent liabilities and commitments (to the extent not provided for)		
(i)	**Contingent liabilities**		
	Claims against the Company not acknowledged as debts		
	(a) Income Tax		
	Relating to transfer pricing adjustments and disallowance of export commission and other deductions	766.27	711.90
	(b) Service Tax		
	Penalty and interest for delayed payments	139.53	139.53
	Disallowance of input credit	308.76	687.59
	Demand on overseas commission	72.00	72.00
	(c) Employee State Insurance(ESI) (relating to non-deduction of ESI on vendor payments)	4.16	4.16
	(d) VAT	6.52	-
	(e) Provident Fund (relating to delay in deposit of dues)	2.40	2.40
	The above amounts are based on the notice of demand / Assessment Orders by the relevant authorities and the Company is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.		
(ii)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	13.89	1.83
		13.89	**1.83**
26.2	There are no micro and small enterprises, to whom the Company owes dues , which are outstanding for more than 45 days during the year and also as at 31-Mar-2013 (PY - INR Nil). This information has been identified on the basis of information available with the Company. This has been relied upon by the auditors.		
26.3	**Details on derivatives instruments and unhedged foreign currency exposures**		
	1. Forward exchange contracts entered into to hedge foreign currency risk of highly probable transactions and outstanding as at the Balance sheet date are as under :		

Currency	Amount in FCY (Lacs)	Buy / Sell	Amount in INR (Lacs)
USD	72 (56)	Sell	**4,039.38** (2,849.28)
GBP	18 (13)	Sell	**1,579.80** (1,057.94)

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Note 26 Additional information to the financial statements (contd.)

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

As at 31-Mar-2013		As at 31-Mar-2012	
Receivable in Foreign currency	**Receivable Amt in INR Lacs**	**Receivable in Foreign currency**	**Receivable Amt in INR Lacs**
AUD 41,379	23.70	AUD 31,382	16.60
CAD 10,446	5.68	CAD 5,382	2.75
EUR 271,908	189.14	EUR 177,903	120.82
NZD 2,210	1.00	NZD 32,130	13.45
NiL	NiL	GBP 940,428	765.34
NiL	NiL	USD 2,953,239	1,502.46
SGD 1,396	0.61	SGD 4,035	1.63

As at 31-Mar-2013		As at 31-Mar-2012	
Payable in Foreign currency	**Payable Amt in INR Lacs**	**Payable in Foreign currency**	**Payable Amt in INR Lacs**
USD 443,068	240.54	USD 426,770	217.12
GBP 556,484	457.61	GBP 192,532	156.69
EUR 36,080	25.10	EUR 140,574	95.47

	Value of imports calculated on CIF basis:	**For the year ended 31-Mar-13**	**For the period ended 31-Mar-12**
		INR lacs	**INR lacs**
	Capital goods	12.00	69.15

	Expenditure in foreign currency:	**For the year ended 31-Mar-13**	**For the period ended 31-Mar-12**
		INR lacs	**INR lacs**
	Outsourced Services	315.29	426.82
	Salaries,Wages and bonus	388.37	1,267.36
	Rates and taxes	0.71	63.42
	Rent	20.23	100.49
	Repairs and Maintainence	8.09	52.37
	Travel	52.30	111.77
	Communication	140.55	108.70
	Trademark Fees	-	49.06
	Others	372.61	127.44
		1,298.15	**2,307.43**

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Note	Particulars
27.1	**Employee benefit plans**
27.1.a	Defined contribution plans The Company makes contributions to Provident Fund , Superannuation Fund and Employee State Insurance (ESI) Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised INR 276.62 Lacs (15 months period ended 31 March, 2012 INR 379.44 Lacs.) for Provident Fund contributions , INR 6.00 Lacs (15 months period ended 31 March, 2012 INR 7.76 Lacs.) for Superannuation Fund Contributions and INR 66.81 Lacs (15 months period ended 31 March, 2012 INR 102.46 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.
27.1.b	Defined benefit plans The Company offers the following employee benefit schemes to its employees: i. Gratuity The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

INR in Lacs

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
Components of employer expense		
Current service cost	50.51	123.41
Interest cost	30.69	39.70
Expected return on plan assets	(36.84)	(37.23)
Actuarial losses/(gains)	70.41	(82.16)
Total expense recognised in the Statement of Profit and Loss	**114.77**	**43.72**
Actual contribution and benefit payments for year		
Actual benefit payments	(127.63)	(122.41)
Actual contributions	15.87	141.26
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(382.77)	(361.12)
Fair value of plan assets	356.20	433.45
Funded status [Surplus / (Deficit)]	(26.57)	72.33
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	**(26.57)**	**72.33**
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	361.12	413.81
Current service cost	50.51	123.41
Interest cost	30.69	39.70
Actuarial (gains) / losses	68.08	(93.39)
Benefits paid	(127.63)	(122.41)
Present value of DBO at the end of the year	**382.77**	**361.12**
Change in fair value of assets during the year		
Plan assets at beginning of the year	433.45	388.60
Expected return on plan assets	36.84	37.23
Actual company contributions	15.87	141.26
Actuarial gain / (loss)	(2.33)	(11.23)
Benefits paid	(127.63)	(122.41)
Plan assets at the end of the year	**356.20**	**433.45**
Actual return on plan assets	34.50	26.00
Composition of the plan assets is as follows:		
Central Government Securities	31.35%	31.35%
State Government Securities	10.71%	10.71%
Govt. Guaranteed Securities	1.35%	1.35%
Debentures and Bonds	42.85%	42.85%
Equity Shares	5.22%	5.22%
Fixed Deposits	8.35%	8.35%
Money Market Instruments	0.16%	0.16%

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Note 27 Disclosures under Accounting Standards (contd.)

Note	Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	Actuarial assumptions		
	Discount rate	8.00%	8.50%
	Expected return on plan assets	8.70%	8.50%
	Salary escalation	6.00%	6.00%
	Attrition	Employee Grade wise trend	
	Estimated amount of Contribution in the next year	Rs 26.57 Lacs	Nil

Experience adjustments	31-Mar-2013	31-Mar-2012	31-Dec-2010	31-Dec-2009	31-Dec-2008
Present value of DBO	382.77	361.12	413.81	324.87	305.98
Fair value of plan assets	356.20	433.45	388.60	321.96	265.45
Funded status [Surplus / (Deficit)]	(26.57)	72.33	(25.21)	(2.91)	(40.53)
Experience gain / (loss) adjustments on plan liabilities	43.29	(6.84)	Refer Note (iii)		
Experience gain / (loss) adjustments on plan assets	(2.34)	5.09			

ii. Long term Compensated Absences as at 31-March-2013 is INR 15.62 Lacs (31-March-2012 is INR 6.13 Lacs)

Compensated Absences are actuarially valued as at the end of the Year / Period. The acturial assumptions are as under:

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
Actuarial assumptions		
Discount rate	8.00%	8.50%
Expected return on plan assets	8.70%	8.50%
Salary escalation	6.00%	6.00%

Notes :
(i) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
(ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
(iii) The details of experience adjustments arising on account of plan assets and liabilities for the years 2008-2010 as required by Accounting Standard (AS)-15 "Employee Benefits" are not available in valuation report.

The above disclosures exclude the figures of the overseas branch, as it is governed by the laws prevailing in USA.

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Disclosures under Accounting Standards (contd.)

Note	Particulars
28.1	**Segment information** The Company operates in one business segment of providing publishing solutions viz., typesetting and data digitization services and is considered to constitute a single segment in the context of primary segment reporting as prescribed by Accounting Standard 17 - "Segment Reporting". The Company's operations are managed on a worldwide basis from India and they operate in four principal geographical areas viz., India, Europe, United States of America and Rest of the World. The secondary segment is identified to these geographical locations. Details of secondary segment by geographical locations are given below:

Revenue by location of customer	For the Year ended 31-Mar-2013	For the period ended 31-Mar-2012
	INR in lacs	INR in lacs
India	10.22	13.83
Europe	7,527.62	8,597.78
USA	8,284.89	9,785.03
Rest of the World	576.86	704.15
Total	**16,399.59**	**19,100.79**

Carrying amount of Segment Assets by geographical location	As at 31-Mar-2013	As at 31-Mar-2012
	INR in lacs	INR in lacs
India	7,438.41	7,189.52
Europe	1,688.30	1,363.10
USA	1,657.84	1,346.75
Rest of the World	111.71	104.83
Total	**10,896.26**	**10,004.20**

Cost incurred for purchase of Tangible Assets and Intangible Assets by geographical location	As at 31-Mar-2013	As at 31-Mar-2012
	INR in lacs	INR in lacs
India	459.81	226.50
USA	2.01	1.72
Total	**461.82**	**228.22**

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Disclosures under Accounting Standards (contd.)

Note	
29	**Related party transactions**
29.a	**Details of related parties:**

Description of relationship	Names of related parties
(i) Ultimate Holding Company	Georg Von Holtzbrinck GmbH & Co. K.G. (Upto 11-Oct-2011)
(ii) Holding Company	H M Publishers Holdings Limited (Upto 11-Oct-2011) ADI BPO Services Limited (from 12-Oct-2011)
(iii) Fellow Subsidiaries (up to 11-Oct-2011)	Macmillan Publishers Limited, UK Macmillan Publishers China Ltd. Macmillan Publishers Australia Proprietary Limited Macmillan Hellas (Greece) Holtzbrinck Publishers Holdings Limited Nature Publishing Group Kingfisher Publications Limited HGV Hanseatische Gasellschaft Macmillan Polland Macmillan Iberia SAU Macmillan Education, SA Ediciones Castillo Group Macmillan, Mexico Gill & Macmillan Publishers (Ireland) Macmillan Publishers Holdings LLC Macmillan Education Limited Macmillan Publishers India Limited Euroscript GmbH
(iv) Key Management Personnel (KMP)	Mr. Rajiv K Seth, Managing Director (up to 18-Apr-2012) Mr. Nishith Arora, Chairman (w.e.f. 17-Jan-2012). Chairman and Managing Director (w.e.f 19-Apr-2012)
(v) Relatives of KMP	Mr. Rahul Arora, Chief Marketing Officer (w.e.f. 06-Aug-2012)

29.b **Details of related party transactions during the year ended 31 March, 2013 and balances outstanding as at 31 March, 2013:**

INR in Lacs

	Holding Company	Fellow Subsidiaries	KMP	Relatives of KMP	Total
Purchase of fixed assets	**197.77** (-)	- (-)	- (-)	- (-)	**197.77** (-)
Rendering of services	- (-)	- (2,990.89)	- (-)	- (-)	- (2,990.89)
Rentals Paid	164.24 (-)	- (-)	- (-)	- (-)	164.24 (-)
Security Deposit placed	100.00 (-)	- (-)	- (-)	- (-)	100.00
Share of Expenses	- (-)	- (352.80)	- (-)	- (-)	- (352.80)
Bad Debts Written off during the year / period	- (-)	- (11.26)	- (-)	- (-)	- (11.26)
Trademark Fees	- (-)	- (49.06)	- (-)	- (-)	- (49.06)
Dividend	**1,529.05** (256.61)	- (-)	- (-)	- (-)	**1,529.05** (256.61)
Remuneration to Key Management Personnel	- (-)	- (-)	***183.86** (166.26)	**18.97** (-)	**202.83** (166.26)
Balances outstanding at the end of the year					
Security Deposit Placed (Refer Note 12)	**100.00** (-)	- (-)	- (-)	- (-)	**100.00** (-)

* Including payment of INR 18.08 lacs towards gratuity and leave encashment.

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

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Disclosures under Accounting Standards (contd.)

Note	Particulars	For the Year ended 31-Mar-2013	For the period ended 31-Mar-2012
		INR in lacs	INR in lacs
30.1	**Details of leasing arrangements**		
	As Lessee		
	The Company has entered into cancellable and non-cancellable operating leases for office premises and cancellable leases for vehicles. Lease rentals recognised in respect of such operating leases in the Statement of Profit and Loss is:	**870.60**	**1,044.55**
	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	340.80	291.85
	later than one year and not later than five years	223.80	300.00
	later than five years	-	-
		564.60	**591.85**

Note	Particulars	For the Year ended 31-Mar-2013	For the period ended 31-Mar-2012
30.2	**Earnings per share**		
	Basic		
	Net profit for the year / period attributable to the equity shareholders (Rs in Lacs)	3,189.02	1,087.13
	Weighted average number of equity shares	16,822,668	16,822,668
	Par value per share (Rs.)	10.00	10.00
	Earnings per share - Basic and diluted (Rs.)	**18.96**	**6.46**

Note	Particulars	As at 31-Mar-2013	As at 31-Mar-2013
		INR in lacs	INR in lacs
30.3	Deferred tax (liability) / asset		
	Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets:	(39.68)	(118.60)
		(39.68)	**(118.60)**
	Tax effect of items constituting deferred tax asset		
	Provision for compensated absences, gratuity and other employee benefits	33.19	55.17
	Provision for doubtful trade receivables / advances	67.48	54.79
	Others	5.00	-
		105.67	**109.96**
	Net Deferred Tax Asset / (Liability)	**65.99**	**(8.64)**

31 Subsequent to the year end, the Company has entered into a Membership Interest Purchase Agreement on May 10, 2013 with M/s Element LLC ("Element") and its members, for acquiring 100% ownership of Element , a Limited Liability Company located in Florida, USA for an aggregate consideration of approximately INR 1000 lacs. The proposed transaction is subject to fulfillment of certain terms and conditions as per the said Agreement.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS LTD

32 Previous Year's figures

The Board of Directors of the Company, at their meeting held on 15-November-2011, approved the change in the Company's financial year from December to March. Accordingly, the financial statements for the previous period of 15 months are from 1-January-2011 to 31-March-2012. Hence, the figures for the current financial year of 12 months are not comparable with those of previous period

As stated above since the Company's financial statements for the previous period were prepared for the 15 month period from 1-January-2011 to 31-March-2012 and the Revised Schedule VI became effective from 1 April, 2011, the financial statements for the current year have been prepared under Revised Schedule VI for the first time. This has significantly impacted the disclosure and presentation made in the financial statements. Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Nishith Arora
Chairman and Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Supriya Kumar Guha
Company Secretary

Place : Mumbai
Date : 27th May, 2013

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS

Deloitte Haskins & Sells

Chartered Accountants
Deloitte Centre
Anchorage II
100/2 Richmond Road
Bangalore - 560 025
INDIA

Tel : + 91 80 66276000
Fax: + 91 80 66276011

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
MPS LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).
   (e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Monisha Parikh
Partner
(Membership No. 47840)

MUMBAI, May 22, 2014
MP/MGR/2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) Having regard to the nature of the Company's business/activities/results during the year, clauses ii, vi, viii, xii, xiii, xiv, xvi, xix and xx of Paragraph 4 of the Order are not applicable to the Company.

(ii) In respect of its fixed assets:

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

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

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit, we have not observed any major weakness in such internal control system. The activities of the Company do not involve purchase of inventory and sale of goods.

(v) To the best of our knowledge and belief and according to the information and explanation given to us, there are no contracts or arrangements that needed to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.

(vi) In our opinion, the internal audit functions carried out during the year by an external agency appointed by the Management, have been commensurate with the size of the Company and the nature of its business.

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes are given below:

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

(viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not issued any debentures.

(x) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.

(xi) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.

(xii) During the year, the Company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under section 301 of the Company Act, 1956.

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

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

Monisha Parikh
Partner
(Membership No. 47840)

MUMBAI, May 22, 2014
MP/MGR/2014

MPS Limited
Registered Office: 4th Floor, R.R Towers IV, T.V.K. Industrial Estate, Guindy, Chennai 600 032

Balance Sheet as at 31-Mar-2014

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

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

Monisha Parikh
Partner

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

Place : Mumbai
Dated : 22-May-2014

For and on behalf of the Board of Directors

Nishith Arora
Chairman and Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Supriya Kumar Guha
Company Secretary

Place : Mumbai
Dated : 22-May-2014

MPS **MPS Limited**
Registered Office: 4th Floor, R.R Towers IV, T.V.K. Industrial Estate, Guindy, Chennai 600 032

Statement of Profit and Loss for the year ended 31-Mar-2014

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

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

Monisha Parikh
Partner

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

For and on behalf of the Board of Directors

Nishith Arora
Chairman and Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Supriya Kumar Guha
Company Secretary

Place : Mumbai
Dated : 22-May-2014

Place : Mumbai
Dated : 22-May-2014

MPS Limited

CASH FLOW STATEMENT FOR THE YEAR 01-APR-2013 to 31-MAR-2014

MPS

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS Limited

CASH FLOW STATEMENT FOR THE YEAR 01-APR-2013 to 31-MAR-2014

MPS

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

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh
Partner

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

For and on behalf of the Board of Directors

Nishith Arora
Chairman and Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Supriya Kumar Guha
Company Secretary

Place : Mumbai
Dated : 22-May-2014

Place : Mumbai
Dated : 22-May-2014

MPS Limited

Notes forming part of the financial statements

1. Corporate Information

1.1 Background

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

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

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

2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

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

2.2 Use of estimates

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

2.3 Inventories

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

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

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

2.5 Cash flow statement

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

2.6 Depreciation and Amortization

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

(i) Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalization.

(ii) The cost of improvements to leasehold premises is amortized over the primary period of lease.

(iii) Computer software of the publishing solutions business is amortized over a period of 2 to 5 years, based on the future economic benefits, as estimated by the management.

(iv) Fixed assets located at the branch in United States of America are depreciated based on their estimated useful life as follows:

- Plant & Machinery - 5 years.
- Software (Intangible)- 5 years.
- Furniture & Fixtures - 7 years.

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

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

2.7 Revenue recognition

Revenue is recognized on delivery of projects or as per terms specified in contracts/purchase orders received from customers.
Revenues for web-site design and development are recognized based on the percentage of completion of the project. Revenues from web-site hosting are recognized ratably over the year for which the site is hosted.

2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.
Rental Income is recognized as per contractual terms.

2.9 Fixed Assets (Tangible / Intangible)

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

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

Capital work-in-process:

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

2.10 Foreign currency transactions and translations

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

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

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BANGALORE

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

Accounting of forward contracts

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

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

2.11 Investments

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

2.12 Employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are

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expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:
(a) In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(b) In case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

2.13 Leases

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

2.14 Earnings per share

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

2.15 Taxes on income

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

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

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

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enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.16 Impairment of assets

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

2.17 Provisions and contingencies

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

2.18 Derivative contracts

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

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

2.19 Service tax input credit

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

2.20 Operating Cycle

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

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Note 3 Share capital

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	Number of shares	Amount in INR Lacs	Number of shares	Amount in INR Lacs
(a) Authorised share capital Equity shares of Rs.10 /- each with voting rights	200,00,000	2,000.00	200,00,000	2,000.00
(b) Issued, Subscribed and fully paid up share capital Equity shares of Rs.10 /- each with voting rights	168,22,668	1,682.27	168,22,668	1,682.27
Total		**1,682.27**		**1,682.27**

Notes:

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

Particulars	As at 31-Mar-14		As at 31-Mar-13	
	Number of shares	Amount in INR Lacs	Number of shares	Amount in INR Lacs
Equity shares (with voting rights)				
At the beginning of the year	168,22,668	1,682.27	168,22,668	1,682.27
Add: Fresh issue / buyback of shares	-	-	-	-
At the end of the year	168,22,668	1,682.27	168,22,668	1,682.27

(ii) Terms/rights attached to equity shares

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

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

Particulars	As at 31-Mar-14 Number of shares	As at 31-Mar-13 Number of shares
ADI BPO Services Limited, the holding company	126,16,996	126,16,996

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

Class of shares / Name of shareholder	As at 31-Mar-14		As at 31-Mar-13	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares ADI BPO Services Limited	126,16,996	75.00%	126,16,996	75.00%

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Note 4 Reserves and surplus

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

Note 5 Long-term borrowings

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

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

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

Note 6 Other long-term liabilities

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

Note 7 Short-term borrowings

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

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Note 8 Trade payables

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

Note 9 Other current liabilities

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

* There is no amount falling due as at the Balance Sheet date to be credited to the Investor Education and Protection Fund and the above amount represents Dividend Warrants issued but not encashed and excludes unencashed demand drafts of INR 21.70 Lacs (PY - INR 28.88 Lacs).

Note 10 Short-term provisions

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

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Note 11 Fixed assets

INR in Lacs

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

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

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

Figures in brackets relate to previous year

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Note 12 Non-current investments

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

Note 13 Long-term loans and advances

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

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

Note 14 Other non-current assets

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

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Note 15 Current investments

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

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

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Note 16 Inventories
(At lower of cost and net realisable value)

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

Note 17 Trade receivables (Unsecured)

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

Note 18 Cash and cash equivalents

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

Note 19 Short-term loans and advances

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

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Note 20 Other current assets

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

Note 21 Revenue from operations

Particulars	For the year ended 31-Mar-2014	For the year ended 31-Mar-13
	INR in Lacs	INR in Lacs
Sale of services		
(i) Exports (Earnings in Foreign Currency)	18,806.25	16,389.37
(ii) Domestic	22.96	10.22
	18,829.21	16,399.59

Note 22 Other Income

Particulars	For the year ended 31-Mar-2014	For the year ended 31-Mar-13
	INR in Lacs	INR in Lacs
(a) Interest income (Refer Note (i) below)	2.52	10.44
(b) Dividend Income: From current investments (mutual funds)	118.48	107.96
(c) Net gain on foreign currency transactions and translation	-	129.71
(d) Other non-operating income (Refer note (ii) below)	545.60	249.69
	666.60	497.80

Particulars	For the year ended 31-Mar-2014	For the year ended 31-Mar-13
	INR in Lacs	INR in Lacs
Note (i) Interest income comprises:		
(a) Interest from Banks on Deposits	2.52	4.00
(b) Interest on income tax refund	-	6.44
	2.52	10.44
Note (ii) Other non-operating income comprises:		
(a) Rental income from operating leases	145.33	178.21
(b) Liabilities / provisions no longer required written back	239.07	57.57
(c) Provision for trade receivables no longer required written back	30.76	3.67
(d) Bad Debts/Advances Recovered	0.58	-
(e) Profit on Sale of Fixed Assets	16.39	-
(f) Miscellaneous income	113.47	10.24
	545.60	249.69

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

Particulars	For the year ended 31-Mar-2014	For the year ended 31-Mar-13
	INR in Lacs	INR in Lacs
Inventories at the end of the year:		
Work-in-process	782.79	889.55
Inventories at the beginning of the year:		
Work-in-process	889.55	924.95
	106.76	**35.40**

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

Note 24 Employee benefits expense

Particulars	For the year ended 31-Mar-2014	For the year ended 31-Mar-13
	INR in Lacs	INR in Lacs
Salaries and wages	6,866.10	6,738.64
Contributions to provident and other funds (Refer Note 28)	463.86	474.49
Staff welfare expenses	476.58	499.30
	7,806.54	**7,712.43**

Note 25 Finance costs

Particulars	For the year ended 31-Mar-2014	For the year ended 31-Mar-13
	INR in Lacs	INR in Lacs
(a) Interest expense on:		
(i) Delayed payment of income tax / service tax	36.49	6.03
(ii) Borrowings	1.46	51.58
(iii) Others	0.48	1.16
	38.43	**58.77**

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Note 26 Other expenses

Particulars		For the year ended 31-Mar-2014	For the year ended 31-Mar-13
		INR in Lacs	INR in Lacs
Consumables		44.11	33.68
Outsourcing cost		1,078.76	982.07
Power and fuel		438.00	432.45
Rent including lease rentals (Refer Note 31.1)		666.90	870.60
Hire Charges		25.47	36.02
Repairs and maintenance - Buildings		241.89	243.16
Repairs and maintenance - Plant and Machinery		144.19	127.20
Repairs and maintenance - Others		4.68	4.57
Insurance		29.64	27.78
Rates and taxes		29.92	55.29
Communication		239.01	263.77
Travelling and conveyance		491.51	582.86
Legal and professional		190.24	233.57
Directors Sitting Fees		7.60	6.60
Commission to Non-executive directors		63.52	42.06
Payments to auditors (Refer Note (i) below)		66.82	60.33
Bad trade receivables written off	113.27		7.95
Less: Provision utilised for the above	91.24		-
		22.03	7.95
Advances written off	39.93		-
Less: Provision utilised for the above	39.93		-
		-	-
Provision for doubtful trade and other receivables, loans and advances		74.41	33.27
Loss on fixed assets sold / scrapped / written off		7.01	20.66
Net loss on foreign currency transactions and translation		319.32	-
Miscellaneous expenses		259.25	296.12
		4,444.28	**4,360.01**

Note (i)

Particulars		For the year ended 31-Mar-2014	For the year ended 31-Mar-13
		INR in Lacs	INR in Lacs
Payments to the auditors comprises (net of service tax input credit, where applicable):			
(i) For Audit {includes Rs.1 Lac for corporate governance reporting (Previous Year- Rs.1 Lac) and Rs. 3.5 Lacs for audit of Consolidated Financial Statement (Previous Year- Nil)}		33.50	28.00
(ii) For taxation matters		27.00	26.00
(iii) For other services		4.50	3.50
(iv) Reimbursement of expenses		1.82	2.83
		66.82	**60.33**

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BANGALORE

MPS Limited
Notes forming part of the financial statements

Additional information to the financial statements

Note	Particulars	As at 31-Mar-2014 INR in Lacs	As at 31-Mar-2013 INR in Lacs
27.1	**Contingent liabilities and commitments (to the extent not provided for)**		
(i)	Contingent liabilities		
	Claims against the Company not acknowledged as debts		
	(a) Income Tax		
	Relating to transfer pricing adjustments and disallowance of export commission and other deductions	853.58	766.27
	(b) Service Tax		
	Penalty and interest for delayed payments, disallowance of input credit and demand on overseas commission	675.56	520.29
	(c) Employee State Insurance(ESI) and Provident Fund (PF) vendor payments)	6.56	6.56
	(d) VAT	-	6.52
	(e) Other Claims	256.00	-

The above amounts are based on the notice of demand / Assessment Orders / claims by the relevant authorities / parties and the Company is contesting these claims. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

(ii)

Commitments	As at 31-Mar-2014 (INR Lacs.)	As at 31-Mar-2013 (INR Lacs.)
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	57.52	13.89
	57.52	**13.89**

27.2 There are no micro and small enterprises, to whom the Company owes dues , which are outstanding for more than 45 days during the year and also as at 31-Mar-2014 (PY - INR Nil). This information has been identified on the basis of information available with the Company. This has been relied upon by the auditors.

27.3 Details on derivatives instruments and unhedged foreign currency exposures

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

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

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BANGALORE

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

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

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

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

		For the year ended 31-Mar-14	For the period ended 31-Mar-13
27.4	**Value of imports calculated on CIF basis:**		
		INR lacs	INR lacs
	Capital goods	34.48	12.00

		For the year ended 31-Mar-14	For the period ended 31-Mar-13
27.5	**Expenditure in foreign currency:**		
		INR lacs	INR lacs
	Outsourcing Cost	434.28	315.29
	Salaries,Wages and bonus	303.25	388.37
	Rates and taxes	-	0.71
	Rent	38.35	20.23
	Legal and Professional Charges	73.09	77.44
	Repairs and Maintainence	13.80	8.09
	Travel	48.41	52.30
	Communication	118.35	140.55
	Others	204.75	287.22
		1,234.28	**1,290.20**

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BANGALORE

MPS Limited
Notes forming part of the financial statements

Disclosures under Accounting Standards

Note	Particulars
28.1	**Employee benefit plans**
28.1.a	Defined contribution plans

The Company makes contributions to Provident Fund , Superannuation Fund and Employee State Insurance (ESI) Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised INR 329.19 Lacs (Previous year INR 276.62 Lacs.) for Provident Fund contributions , INR 6.30 Lacs (Previous year INR 6.00 Lacs.) for Superannuation Fund Contributions and INR 61.94 Lacs (Previous year INR 66.81 Lacs) for ESI in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

28.1.b Defined benefit plans

The Company offers the following employee benefit schemes to its employees:
i. Gratuity (included as part of contribution to provident and other funds in note 24, employees benefit expenses)

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

INR in Lacs

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
Components of employer expense		
Current service cost	45.28	50.51
Interest cost	30.62	30.69
Expected return on plan assets	(30.99)	(36.84)
Actuarial losses/(gains)	(19.86)	70.41
Total expense recognised in the Statement of Profit and Loss	**25.05**	**114.77**
Actual contribution and benefit payments for year		
Actual benefit payments	(68.89)	(127.63)
Actual contributions	28.66	15.87
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(375.53)	(382.77)
Fair value of plan assets	345.55	356.20
Funded status [Surplus / (Deficit)]	(29.98)	(26.57)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	**(29.98)**	**(26.57)**
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	382.77	361.12
Current service cost	45.28	50.51
Interest cost	30.62	30.69
Actuarial (gains) / losses	(14.25)	68.08
Benefits paid	(68.89)	(127.63)
Present value of DBO at the end of the year	**375.53**	**382.77**
Change in fair value of assets during the year		
Plan assets at beginning of the year	356.20	433.45
Expected return on plan assets	30.99	36.84
Actual company contributions	28.66	15.87
Actuarial gain / (loss)	(1.41)	(2.33)
Benefits paid	(68.89)	(127.63)
Plan assets at the end of the year	**345.55**	**356.20**
Actual return on plan assets	29.58	34.50
Composition of the plan assets is as follows:		
Central Government Securities	22.94%	31.35%
State Government Securities	18.00%	10.71%
Govt. Guaranteed Securities	1:37%	1.35%
Debentures and Bonds	37.52%	42.85%
Equity Shares	4.69%	5.22%
Fixed Deposits	14.99%	8.35%
Money Market Instruments	0.49%	0.16%

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS Limited
Notes forming part of the financial statements

Note 28 Disclosures under Accounting Standards (contd.)

Note	Particulars	As at 31-Mar-2014	As at 31-Mar-2013
	Actuarial assumptions		
	Discount rate	9.29%	8.00%
	Expected return on plan assets	8.70%	8.70%
	Salary escalation	6.00%	6.00%
	Attrition	Employee Grade wise trend	
	Estimated amount of Contribution in the next year	Rs 22.97 Lacs	Rs 26.57 Lacs

Experience adjustments	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Dec-2010	31-Dec-2009
Present value of DBO	375.53	382.77	361.12	413.81	324.87
Fair value of plan assets	345.55	356.20	433.45	388.60	321.96
Funded status [Surplus / (Deficit)]	(29.98)	(26.57)	72.33	(25.21)	(2.91)
Experience gain / (loss) adjustments on plan liabilities	35.42	43.29	(6.84)	Refer Note (iii)	
Experience gain / (loss) adjustments on plan assets	(1.41)	(2.33)	5.09		

ii. Long term Compensated Absences as at 31-March-2014 is INR Nil Lacs (Previous year INR 15.62 Lacs)

Compensated Absences are actuarially valued as at the end of the Year . The acturial assumptions are as under:

Particulars	As at 31-Mar-2014	As at 31-Mar-2013
Actuarial assumptions		
Discount rate	9.29%	8.00%
Expected return on plan assets	8.70%	8.70%
Salary escalation	6.00%	6.00%

Notes :

(i) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

(ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

(iii) The details of experience adjustments arising on account of plan assets and liabilities for the years 2009-2010 as required by Accounting Standard (AS)-15 "Employee Benefits" are not available in valuation report.

The above disclosures exclude the figures of the overseas branch, as it is governed by the laws prevailing in USA.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS Limited
Notes forming part of the financial statements

Disclosures under Accounting Standards (contd.)

Note	Particulars
29.1	**Segment information**

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

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

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

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

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

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BANGALORE

MPS Limited
Notes forming part of the financial statements

Disclosures under Accounting Standards (contd.)

Note		
30	**Related party transactions**	
30.a	**Details of related parties:**	**Names of related parties**
	Description of relationship	
	(i) Holding Company	ADI BPO Services Limited
	(ii) Subsidiary Company (w.e.f. 29-May-2013)	MPS North America LLC.
	(iii) Key Management Personnel (KMP)	Mr. Nishith Arora, Chairman and Managing Director Mr. Rahul Arora, Director(w.e.f 12-Aug-2013) Mr. Rajiv K Seth, Managing Director(up to 18-Apr-2012)
	(iv) Relatives of KMP	Mr. Rahul Arora, Chief Marketing Officer (till 11-Aug-2013) Mrs. Yamini Tandon, Vice President-Service Delivery (w.e.f. 17-Feb-2014)

30.b Details of related party transactions during the year ended 31 Mar, 2014 and balances outstanding as at 31 Mar, 2014:

INR in Lacs

	Holding Company	Subsidiary	KMP	Relatives of KMP	Total
Purchase of fixed assets	40.41 (197.77)	- (-)	- (-)	- (-)	**40.41** (197.77)
Rent	275.82 (164.24)	- (-)	- (-)	- (-)	**275.82** (164.24)
Security Deposit placed	- (100.00)	- (-)	- (-)	- (-)	- (100.00)
Reimbursement of expenses	6.08 (-)	- (-)	- (-)	- (-)	**6.08** (-)
Recovery of Expenses	- (-)	11.62 (-)	- (-)	- (-)	**11.62** (-)
Investment in equity shares/units	- (-)	1,047.24 (-)	- (-)	- (-)	**1,047.24** (-)
Dividend	2,144.89 (1,529.05)	- (-)	- (-)	- (-)	**2,144.89** (1,529.05)
Remuneration:					
Nishith Arora	- (-)	- (-)	157.79 (152.44)	- (-)	**157.79** (152.44)
Rahul Arora	- (-)	- (-)	48.98 (-)	10.79 (18.97)	**59.77** (18.97)
Yamini Tandon	- (-)	- (-)	- (-)	3.44 (-)	**3.44** (-)
Rajiv K. Seth	- (-)	- (-)	- *(31.42)	- (-)	- (31.42)
Balances outstanding at the end of the year					
Security Deposit Placed (Refer Note 13)	100.00 (100.00)	- (-)	- (-)	- (-)	**100.00** (100.00)
Payables on account of reimbursement of expenses	6.08 (-)	- (-)	- (-)	- (-)	**6.08** (-)

* Including payment of INR 18.08 lacs towards gratuity and leave encashment in 2012-13.

Notes
1. No amount has been written off / written back during the year in respect of dues from / to related parties.
2. Figures in brackets relate to previous year

30.c The remuneration to Key Management Personnel includes Rs. 48.98 Lacs paid as remuneration to Mr Rahul Arora, Whole Time Director effective from August 12, 2013. An application was made to the Central Government pursuant to Section 269, 310 read with Part A of Schedule XIII since Mr. Rahul Arora was not a resident in India for a continuous period of 12 months immediately preceding the date of his appointment as a Whole Time Director. The Central Government has taken on record the aforesaid application and has informed vide their letter dated January 9, 2014 that the matter will be further examined on receipt of the shareholders' approval. Accordingly, the above is subject to approval of the shareholders and the Central Government.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS Limited
Notes forming part of the financial statements

Disclosures under Accounting Standards (contd.)

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

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

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

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BANGALORE

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

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

33 Previous Year's figures

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

For and on behalf of the Board of Directors

Nishith Arora
Chairman and Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Supriya Kumar Guha
Company Secretary

Place : Mumbai
Date : 22nd May, 2014

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BANGALORE

Deloitte Haskins & Sells

Chartered Accountants
Deloitte Centre
Anchorage II
100/2 Richmond Road
Bangalore - 560 025
INDIA

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

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Monisha Parikh
Partner
(Membership No. 47840)

MUMBAI, May 22, 2014
MP/MGR/2014

MPS Limited
Registered Office: 4th Floor, R.R Towers IV, T.V.K. Industrial Estate, Guindy, Chennai 600 032

Consolidated Balance Sheet as at 31-Mar-2014

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

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

Monisha Parikh
Partner

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

For and on behalf of the Board of Directors

Nishith Arora
Chairman and Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Supriya Kumar Guha
Company Secretary

Place : Mumbai
Dated : 22-May-2014

Place : Mumbai
Dated : 22-May-2014

Consolidated Statement of Profit and Loss for the year ended 31-Mar-2014

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

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

Monisha Parikh
Partner

Place : Mumbai
Dated : 22-May-2014

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

For and on behalf of the Board of Directors

Nishith Arora
Chairman and Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Supriya Kumar Guha
Company Secretary

Place : Mumbai
Dated : 22-May-2014

MPS Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 01-APR-2013 to 31-MAR-2014

INR in Lacs

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 01-APR-2013 to 31-MAR-2014

INR in Lacs

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

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Monisha Parikh
Partner

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

Place : Mumbai
Dated : 22-May-2014

For and on behalf of the Board of Directors

Nishith Arora
Chairman and Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Supriya Kumar Guha
Company Secretary

Place : Mumbai
Dated : 22-May-2014

MPS Limited

Notes Forming Part of the Consolidated Financial Statements

Note-1: Corporate Information:

Background:

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

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

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

Note-2: Significant Accounting Policies:

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

a) The Consolidated financial statements of the Company and its subsidiary (referred to as "the Group") have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply with the accounting standards notified under Section 211 (3C) of the Companies Act, 1956 ("the 1956 Act") (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the holding company.

b) Principles of consolidation:
The financial statements of the Company and its subsidiary viz., MPS NA LLC have been consolidated on a line by line basis by adding together like items of assets, liabilities, income, expenses, after eliminating intra-group transactions and any unrealized gains or losses in accordance with the Accounting Standard - 21 on "Consolidated Financial Statements" (AS 21). The financial statements of the Company and its subsidiary have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

Note-2.2: Use of Estimates:

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

Note-2.3: Inventories:

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

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

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

Note-2.5: Cash Flow Statement:

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

Note-2.6: Depreciation and Amortisation:

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

(i) Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

(ii) The cost of improvements to leasehold premises is amortized over the primary / extenc period of lease.

(iii) Computer software of the publishing solutions business is amortized over a period of 2 t years, based on the future economic benefits, as estimated by the management.

(iv) Fixed assets located at the branch and subsidary in United States of America are deprecia based on their estimated useful life as follows:

- Plant & Machinery – 5 to 10 years.
- Furniture & Fixtures - 7 years

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

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

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

Note-2.7: Revenue Recognition:

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

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

Note-2.8: Other Income:

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

Rental Income is recognized as per contractual terms.

Note-2.9: Fixed Assets (Tangible / Intangible):

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

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

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

<u>Capital work-in-process:</u>

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

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CHARTERED ACCOUNTANTS
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Note-2.10: Foreign currency transactions and translations:

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

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

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

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

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

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

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

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

Accounting of forward contracts

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

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

Note-2.11: Investments:

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

Note-2.12: Employee Benefits:

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

Defined Contribution Plans:

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

Defined Benefit Plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-Term Employee Benefits:

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

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

Long-Term Employee Benefits:

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

Note-2.13: Leases:

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

Note-2.14: Earnings Per Share:

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

Note-2.15: Taxes on Income:

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

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more

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

Note-2.16: Impairment of Assets:

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

Note-2.17: Provisions and Contingencies:

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

Note-2.18: Derivative Contracts:

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

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

Note-2.19: Service Tax Input Credit:

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

Note-2.20: Operating Cycle:

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

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BANGALORE

MPS Limited
Notes forming part of the consolidated financial statements

Note 3 Share capital

Particulars	As at 31-Mar-14	
	Number of shares	Amount in INR Lacs
(a) Authorised share capital		
Equity shares of Rs.10 /- each with voting rights	200,00,000	2,000.00
(b) Issued, Subscribed and fully paid up share capital		
Equity shares of Rs.10 /- each with voting rights	168,22,668	1,682.27
		1,682.27

Notes:

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

Particulars	As at 31-Mar-14	
	Number of shares	Amount in INR Lacs
Equity shares (with voting rights)		
At the beginning of the year	168,22,668	1,682.27
Add: Fresh issue / buyback of shares	-	-
At the end of the year	168,22,668	1,682.27

(ii) Terms/rights attached to equity shares

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

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

Equity shares with voting rights

Particulars	As at 31-Mar-14 Number of shares
ADI BPO Services Limited, the holding company	126,16,996

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

Class of shares / Name of shareholder	As at 31-Mar-14	
	Number of shares held	% holding in that class of shares
Equity shares		
ADI BPO Services Limited	126,16,996	75.00%

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MPS Limited
Notes forming part of the consolidated financial statements

Note 4 Reserves and surplus

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

Note 5 Long-term borrowings

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

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

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

Note 6 Other long-term liabilities

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

Note 7 Short-term borrowings

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

Note 8 Trade payables

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

Note 9 Other current liabilities

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

* There is no amount falling due as at the Balance Sheet date to be credited to the Investor Education and Protection Fund and the above amount represents Dividend Warrants issued but not encashed and excludes unencashed demand drafts of INR 21.70 Lacs.

Note 10 Short-term provisions

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS Limited
Notes forming part of the consolidated financial statements

Note 11 Fixed assets

INR in Lacs

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

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

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS Limited
Notes forming part of the consolidated financial statements

Note 12 Long-term loans and advances

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

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

Note 13 Other non-current assets

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

MPS Limited
Notes forming part of the consolidated financial statements

Note 14 Current investments

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

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

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BANGALORE

Note 15 Inventories
(At lower of cost and net realisable value)

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

Note 16 Trade receivables (Unsecured)

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

Note 17 Cash and cash equivalents

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

Note 18 Short-term loans and advances

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS Limited
Notes forming part of the consolidated financial statements

Note 19 Other current assets

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

Note 20 Revenue from operations

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

Note 21 Other Income

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

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS Limited

Notes forming part of the consolidated financial statements

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

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

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

Note 23 Employee benefits expense

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

Note 24 Finance costs

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BANGALORE

MPS Limited
Notes forming part of the consolidated financial statements

Note 25 Other expenses

Particulars		For the year ended 31-Mar-2014
		INR in Lacs
Consumables		44.18
Outsourcing cost		1,346.59
Power and fuel		440.62
Rent including lease rentals (Refer Note 31.1)		707.73
Hire Charges		25.75
Repairs and maintenance - Buildings		247.71
Repairs and maintenance - Plant and Machinery		144.19
Repairs and maintenance - Others		4.68
Insurance		32.45
Rates and taxes		29.92
Communication		254.81
Travelling and conveyance		514.90
Legal and professional		194.10
Directors Sitting Fees		7.60
Commission to Non-executive directors		63.52
Payments to auditors (Refer Note (i) below)		66.82
Bad trade receivables written off	113.27	
Less: Provision utilised for the above	91.24	
		22.03
Advances written off	39.93	
Less: Provision utilised for the above	39.93	
		-
Provision for doubtful trade and other receivables, loans and advances		111.25
Loss on fixed assets sold / scrapped / written off		7.43
Net loss on foreign currency transactions and translation		319.32
Miscellaneous expenses		271.52
		4,857.12

Note (i)

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

DELOITTE HASKINS & SELLS
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Note 26 Business Purchase

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

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

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MPS Limited
Notes forming part of the consolidated financial statements

Additional information to the financial statements

Note	Particulars	As at 31-Mar-2014 INR in Lacs
27.1	**Contingent liabilities and commitments (to the extent not provided for)**	
(i)	Contingent liabilities	
	Claims against the Company not acknowledged as debts	
	(a) Income Tax	
	Relating to transfer pricing adjustments and disallowance of export commission and other deductions	853.58
	(b) Service Tax	
	Penalty and interest for delayed payments, disallowance of input credit and demand on overseas commission	675.56
	(c) Employee State Insurance(ESI) and Provident Fund (PF) (vendor payments)	6.56
	(d) Other Claims	256.00

The above amounts are based on the notice of demand / Assessment Orders / claims by the relevant authorities / parties and the Company is contesting these claims. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

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

27.2 Details on derivatives instruments and unhedged foreign currency exposures

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

Currency	Amount in FCY (Lacs)	Buy / Sell
USD	44 (72)	Sell
GBP	11 (18)	Sell

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

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

As at 31-Mar-2014	
Receivable in Foreign currency	**Receivable Amt in INR Lacs**
AUD 24,131	13.34
CAD 2,030	1.10
EUR 192,955	159.54
GBP 114,800	114.53
USD 879,897	527.27
SGD 10,051	4.78

As at 31-Mar-2014	
Payable in Foreign currency	**Payable Amt in INR Lacs**
USD 617,611	370.64
GBP 267,052	266.42
EUR 18,156	15.01

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Notes forming part of the consolidated financial statements

Disclosures under Accounting Standards

Note	Particulars
28.1	**Employee benefit plans**
28.1.a	Defined contribution plans

The Company makes contributions to Provident Fund , Superannuation Fund and Employee State Insurance (ESI) Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised INR 329.19 Lacs for Provident Fund contributions , INR 6.30 Lacs for Superannuation Fund Contributions and INR 61.94 Lacs for ESI in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

28.1.b Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

i. Gratuity (included as part of contribution to provident and other funds in note 24, employees benefit expenses)

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

INR in Lacs

Particulars	As at 31-Mar-2014
Components of employer expense	
Current service cost	45.28
Interest cost	30.62
Expected return on plan assets	(30.99)
Actuarial losses/(gains)	(19.86)
Total expense recognised in the Statement of Profit and Loss	**25.05**
Actual contribution and benefit payments for year	
Actual benefit payments	(68.89)
Actual contributions	28.66
Net asset / (liability) recognised in the Balance Sheet	
Present value of defined benefit obligation	(375.53)
Fair value of plan assets	345.55
Funded status [Surplus / (Deficit)]	(29.98)
Unrecognised past service costs	-
Net asset / (liability) recognised in the Balance Sheet	**(29.98)**
Change in defined benefit obligations (DBO) during the year	
Present value of DBO at beginning of the year	382.77
Current service cost	45.28
Interest cost	30.62
Actuarial (gains) / losses	(14.25)
Benefits paid	(68.89)
Present value of DBO at the end of the year	**375.53**
Change in fair value of assets during the year	
Plan assets at beginning of the year	356.20
Expected return on plan assets	30.99
Actual company contributions	28.66
Actuarial gain / (loss)	(1.41)
Benefits paid	(68.89)
Plan assets at the end of the year	**345.55**
Actual return on plan assets	29.58
Composition of the plan assets is as follows:	
Central Government Securities	22.94%
State Government Securities	18.00%
Govt. Guaranteed Securities	1.37%
Debentures and Bonds	37.52%
Equity Shares	4.69%
Fixed Deposits	14.99%
Money Market Instruments	0.49%

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MPS Limited
Notes forming part of the consolidated financial statements

Note 28 Disclosures under Accounting Standards (contd.)

Note	Particulars	As at 31-Mar-2014
	Actuarial assumptions	
	Discount rate	9.29%
	Expected return on plan assets	8.70%
	Salary escalation	6.00%
	Attrition	Employee Grade wise trend
	Estimated amount of Contribution in the next year	Rs 22.97 Lacs

Experience adjustments	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Dec-2010	31-Dec-2009
Present value of DBO	375.53	382.77	361.12	413.81	324.87
Fair value of plan assets	345.55	356.20	433.45	388.60	321.96
Funded status [Surplus / (Deficit)]	(29.98)	(26.57)	72.33	(25.21)	(2.91)
Experience gain / (loss) adjustments on plan liabilities	35.42	43.29	(6.84)	Refer Note (c)	
Experience gain / (loss) adjustments on plan assets	(1.41)	(2.33)	5.09		

ii. Long term Compensated Absences as at 31-March-2014 is INR Nil Lacs

Compensated Absences are actuarially valued as at the end of the Year . The acturial assumptions are as under:

Particulars	As at 31-Mar-2014
Actuarial assumptions	
Discount rate	9.29%
Expected return on plan assets	8.70%
Salary escalation	6.00%

Notes :
(a) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

(b) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

(c) The details of experience adjustments arising on account of plan assets and liabilities for the years 2009-2010 as required by Accounting Standard (AS)-15 "Employee Benefits" are not available in valuation report.
The above disclosures exclude the figures of the overseas branch, as it is governed by the laws prevailing in USA.

iii. Short-term Compensated absences pertaining to MPS NA LLC amounts to Rs. 0.49 Lacs

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MPS Limited
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Disclosures under Accounting Standards (contd.)

Note	Particulars
29.1	**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 United States of America and they operate in four principal geographical areas viz., India, Europe, United States of America and Rest of the World. The secondary segment is identified to these geographical locations. Details of secondary segment by geographical locations are given below:

Revenue by location of customer	For the Year ended 31-Mar-2014 INR in lacs
India	22.96
Europe	8,850.28
USA	10,347.03
Rest of the World	508.22
Total	**19,728.49**

Carrying amount of Segment Assets by geographical location	As at 31-Mar-2014 INR in lacs
India	7,122.12
Europe	1,861.34
USA	2,451.79
Rest of the World	99.71
Total	**11,534.96**

Cost incurred for purchase of Tangible Assets and Intangible Assets by geographical location	As at 31-Mar-2014 INR in lacs
India	276.27
USA	527.58
Total	**803.85**

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MPS Limited
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Disclosures under Accounting Standards (contd.)

Note	Particulars	
30	**Related party transactions**	
30.a	**Details of related parties:**	**Names of related parties**
	Description of relationship	
	(i) Holding Company	ADI BPO Services Limited
	(ii) Key Management Personnel (KMP)	Mr. Nishith Arora, Chairman and Managing Director Mr. Rahul Arora, Director(w.e.f 12-Aug-2013)
	(iii) Relatives of KMP	Mr. Rahul Arora, Chief Marketing Officer (till 11-Aug-2013) Mrs. Yamini Tandon, Vice President-Service Delivery (w.e.f. 17-Feb-2014)

30.b Details of related party transactions during the year ended 31 Mar, 2014 and balances outstanding as at 31 Mar, 2014:

INR in Lacs

	Holding Company	KMP	Relatives of KMP	Total
Purchase of fixed assets	40.41	-	-	**40.41**
Rent	275.82	-	-	**275.82**
Reimbursement of expenses	6.08	-	-	**6.08**
Dividend	2,144.89	-	-	**2,144.89**
Remuneration:				
Nishith Arora	-	157.79	-	**157.79**
Rahul Arora	-	48.98	10.79	**59.77**
Yamini Tandon	-	-	3.44	**3.44**
Balances outstanding at the end of the year				
Security Deposit Placed (Refer Note 12)	100.00	-	-	**100.00**
Payables on account of reimbursement of expenses	6.08	-	-	**6.08**

Notes

1. No amount has been written off / written back during the year in respect of dues from / to related parties.

30.c The remuneration to Key Management Personnel includes Rs. 48.98 Lacs paid as remuneration to Mr Rahul Arora, Whole Time Director effective from August 12, 2013. An application was made to the Central Government pursuant to Section 269, 310 read with Part A of Schedule XIII since Mr. Rahul Arora was not a resident in India for a continuous period of 12 months immediately preceding the date of his appointment as a Whole Time Director. The Central Government has taken on record the aforesaid application and has informed vide their letter dated January 9, 2014 that the matter will be further examined on receipt of the shareholders' approval. Accordingly, the above is subject to approval of the shareholders and the Central Government.

DELOITTE HASKINS & SELLS
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MPS Limited
Notes forming part of the consolidated financial statements

Disclosures under Accounting Standards (contd.)

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

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

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

DELOITTE HASKINS & SELLS
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MPS Limited
Notes forming part of the financial statements

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

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

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

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

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

For and on behalf of the Board of Directors

Nishith Arora
Chairman and Managing Director

Vijay Sood
Director

Sunit Malhotra
Chief Financial Officer

Supriya Kumar Guha
Company Secretary

Place : Mumbai
Date : 22nd May, 2014

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BANGALORE

Deloitte
Haskins & Sells

Chartered Accountants
7th Floor, Building 10, Tower B
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DLF City Phase-II
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INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
MPS LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **MPS LIMITED** ("the Company") for the Quarter and Nine months ended December 31, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 4 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Nine months ended December 31, 2014 of the Statement, from the details furnished by the Management.

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

Vijay Agarwal
Partner
(Membership No. 094468)

Gurgaon, January 29, 2015

MPS Limited

Registered Office: 4th Floor, R.R Towers IV, T.V.K. Industrial Estate, Guindy, Chennai 600 032

PART I: Statement of Standalone Unaudited Results for the Quarter and nine months ended 31-Dec-2014

in ₹ lacs

Sl No		Particulars	Three months ended 31-Dec-2014 (Un-Audited)	Preceding three months ended 30-Sep-2014 (Un-Audited)	Corresponding three months ended in previous year 31-Dec-2013 (Un-Audited)	Year to date figures for nine months ended 31-Dec-2014 (Un-Audited)	Year to date figures for nine months ended in previous year 31-Dec-2013 (Un-Audited)	Previous Year ended 31-Mar-2014 (Audited)
1.		**Income from operations**						
	a)	Net sales/income from operations	5,666	5,313	5,404	15,501	14,155	18,829
	b)	Other operating Income	-	-	-	-	-	-
		Total Income from operations (net)	**5,666**	**5,313**	**5,404**	**15,501**	**14,155**	**18,829**
2.		**Expenses**						
	a)	Cost of materials consumed	-	-	-	-	-	-
	b)	Purchases of stock-in-trade	-	-	-	-	-	-
	c)	Changes in inventories of work-in-process (Increase)/Decrease	159	(69)	139	15	56	107
	d)	Employee benefit expense	2,096	2,113	1,947	6,342	5,881	7,807
	e)	Depreciation and amortization expense	112	141	130	404	381	505
	f)	Foreign Exchange (Gain)/Loss	(120)	(117)	(176)	(515)	243	319
	g)	Other expenses	1,118	1,153	1021	3,258	3,225	4,125
		Total expenses	**3,365**	**3,221**	**3,061**	**9,504**	**9,786**	**12,863**
3.		Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	2,301	2,092	2,343	5,997	4,369	5,966
4.		Other income	163	99	160	376	489	667
5.		Profit/(Loss) from ordinary activities before finance costs and exceptional items (3±4)	2,464	2,191	2,503	6,373	4,858	6,633
6.		Finance costs	1	1	21	4	37	38
7.		Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5±6)	2,463	2,190	2,482	6,369	4,821	6,595
8.		Exceptional items	-	-	-	772	-	-
9.		Profit/(Loss) from ordinary activities before tax (7±8)	2,463	2,190	2,482	7,141	4,821	6,595
10.		Tax expense	809	768	855	2,438	1,642	2,251
11.		Net Profit/(Loss) from ordinary activities after tax (9±10)	1,654	1,422	1,627	4,703	3,179	4,344
12.		Extraordinary items (net of tax expense)	-	-	-	-	-	-
13.		**Net Profit/(Loss) for the period (11±12)**	**1,654**	**1,422**	**1,627**	**4,703**	**3,179**	**4,344**
14.		Paid-Up equity share capital (Face Value - Rs 10 per Equity Share)	1,682	1,682	1,682	1,682	1,682	1,682
15.		Reserves excluding Revaluation Reserve as per the balance sheet	-	-	-	-	-	7,581
16.	i	**Earnings per share (before extraordinary items) (not annualised):**						
		(a) Basic	9.83	8.45	9.67	27.96	18.90	25.82
		(b) Diluted	9.83	8.45	9.67	27.96	18.90	25.82
	ii	**Earnings per share (after extraordinary items) (not annualised):**						
		(a) Basic	9.83	8.45	9.67	27.96	18.90	25.82
		(b) Diluted	9.83	8.45	9.67	27.96	18.90	25.82

PART II: Select information for Quarter and nine months ended 31-Dec-2014

A		**Particulars of Shareholding**						
	1	Public shareholding:						
		- Number of shares	42,05,672	42,05,672	42,05,672	42,05,672	42,05,672	42,05,672
		- Percentage of share holding	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
	2	Promoters and Promoter Group Shareholding						
		a) Pledged / Encumbered						
		- Number of shares	-	-	-	-	-	-
		- Percentage of shares (as a % of the total shareholding of promoter and promoter Group)	-	-	-	-	-	-
		- Percentage of shares (as a % of the total shareholding of share capital of the company)	-	-	-	-	-	-
		b) Non-encumbered						
		- Number of shares	1,26,16,996	1,26,16,996	1,26,16,996	1,26,16,996	1,26,16,996	1,26,16,996
		- Percentage of shares (as a % of the total shareholding of promoter and promoter Group)	100%	100%	100%	100%	100%	100%
		- Percentage of shares (as a % of the total shareholding of share capital of the company)	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%

	Particulars	3 months ended 31-Dec-2014
B	**Investor Complaints**	
	Pending at the beginning of the quarter	NIL
	Received during the quarter	2
	Disposed off during the quarter	2
	Remaining unresolved at the end of the quarter	NIL

Notes:

1. The Financial Results were reviewed by the Audit Committee and upon their recommendation, approved by the Board of Directors at their meeting on 29-Jan-2015. The Statutory Auditors have carried out a Limited Review of the above financial results of the Company.
2. The Company operates in a single segment, "the business of providing publishing solutions viz., typesetting and data digitization services".
3. The Company has declared an Interim dividend of Rs. 10 (ten) per fully paid up equity share of Rs.10 each to the shareholders. The record date for this purpose would be 10/02/2015.
4. The Company has revised its policy of providing depreciation on fixed assets effective 01-Apr-2014. Depreciation is now provided on Straight Line basis for all assets as against the policy of providing on Written Down Value basis for some assets and Straight Line basis for others. As a result of these changes, the depreciation charged for the quarter and nine months ended 31-Dec-2014 is higher by Rs.6 Lacs and Rs 89 Lacs respectively and the effect relating to period prior to 01-Apr-2014 is credit of Rs.772 Lacs which has been shown as an "Exceptional Item" in the above statement. Deferred tax of Rs. 262 lacs on this credit is included in the tax expense.
5. The Company has invested an amount of $1.2 million in MPS North America LLC to meet the acquisition cost and working capital requirements related to the acquisition of contracts, assets and employees of Electronic Publishing Services Inc. (EPS), New York .
6. Figures for the previous period(s)/years have been regrouped/recast where necessary.

By Order of the Board

Nishith Arora

Chairman and Managing Director

Place: Gurgaon

Dated : 29-Jan-2015

Deloitte Haskins & Sells

Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase-II
Gurgaon - 122 002, Haryana
India

Tel : + 91 (124) 679 2000
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INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF MPS LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **MPS LIMITED** ("the Company") and its subsidiary (the Company and its subsidiary constitute "the Group") for the Quarter and nine months ended December 31, 2014 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. The Statement includes the results of its subsidiary, MPS North America LLC.

4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the nine months ended December 31, 2014 of the Statement, from the details furnished by the Management.

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

Vijay Agarwal
Partner
(Membership No. 094468)

Gurgaon, January 29, 2015

MPS Limited

Registered Office: 4th Floor, R.R Towers IV, T.V.K. Industrial Estate, Guindy, Chennai 600 032

PART I: Statement of Consolidated Unaudited Results for the Quarter and nine months ended 31-Dec-2014

in ₹ lacs

Sl No		Particulars	Three months ended 31-Dec-2014 (Un-Audited)	Preceding three months ended 30-Sep-2014 (Un-Audited)	Corresponding three months ended in previous year 31-Dec-2013 (Un-Audited)	Year to date figures for nine months ended 31-Dec-2014 (Un-Audited)	Year to date figures for nine months ended in previous year 31-Dec-2013 (Un-Audited)	Previous Year ended 31-Mar-2014 (Audited)
1.		**Income from operations**						
	a)	Net sales/income from operations	6,317	5,557	5,632	16,893	14,514	19,728
	b)	Other operating Income	-	-	-	-	-	-
		Total Income from operations (net)	**6,317**	**5,557**	**5,632**	**16,893**	**14,514**	**19,728**
2.		**Expenses**						
	a)	Cost of materials consumed	-	-	-	-	-	-
	b)	Purchases of stock-in-trade	-	-	-	-	-	-
	c)	Changes in inventories of work-in-process (Increase)/Decrease	159	(69)	139	15	56	107
	d)	Employee benefit expense	2,402	2,284	2,153	6,997	6,324	8,469
	e)	Depreciation and amortization expense	119	149	140	429	397	529
	f)	Foreign Exchange (Gain)/Loss	(120)	(117)	(176)	(515)	243	319
	g)	Other expenses	1,325	1,263	1,075	3,693	3,395	4,538
		Total expenses	**3,885**	**3,510**	**3,331**	**10,619**	**10,415**	**13,962**
3.		Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	2,432	2,047	2,301	6,274	4,099	5,766
4.		Other income	165	102	160	381	489	667
5.		Profit/(Loss) from ordinary activities before finance costs and exceptional items (3±4)	2,597	2,149	2,461	6,655	4,588	6,433
6.		Finance costs	2	1	21	5	37	38
7.		Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5±6)	2,595	2,148	2,440	6,650	4,551	6,395
8.		Exceptional items	-	-	-	772	-	-
9.		Profit/(Loss) from ordinary activities before tax (7±8)	2,595	2,148	2,440	7,422	4,551	6,395
10.		Tax expense	873	737	855	2,544	1,642	2,181
11.		Net Profit/(Loss) from ordinary activities after tax (9±10)	1,722	1,411	1,585	4,878	2,909	4,214
12.		Extraordinary items (net of tax expense)	-	-	-	-	-	-
13.		**Net Profit/(Loss) for the period (11±12)**	**1,722**	**1,411**	**1,585**	**4,878**	**2,909**	**4,214**
14.		Paid-Up equity share capital (Face Value - Rs 10 per Equity Share)	1,682	1,682	1,682	1,682	1,682	1,682
15.		Reserves excluding Revaluation Reserve as per the balance sheet					-	7,491
16.	i	**Earnings per share (before extraordinary items) (not annualised):**						
		(a) Basic	10.24	8.38	9.42	29.00	17.29	25.05
		(b) Diluted	10.24	8.38	9.42	29.00	17.29	25.05
	ii	**Earnings per share (after extraordinary items) (not annualised):**						
		(a) Basic	10.24	8.38	9.42	29.00	17.29	25.05
		(b) Diluted	10.24	8.38	9.42	29.00	17.29	25.05

PART II: Select information for Quarter and nine months ended 31-Dec-2014

A		Particulars of Shareholding						
	1	Public shareholding:						
		- Number of shares	42,05,672	42,05,672	42,05,672	42,05,672	42,05,672	42,05,672
		- Percentage of share holding	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
	2	Promoters and Promoter Group Shareholding						
		a) Pledged / Encumbered						
		- Number of shares	-	-	-	-	-	-
		- Percentage of shares (as a % of the total shareholding of promoter and promoter Group)	-	-	-	-	-	-
		- Percentage of shares (as a % of the total shareholding of share capital of the company)	-	-	-	-	-	-
		b) Non-encumbered						
		- Number of shares	1,26,16,996	1,26,16,996	1,26,16,996	1,26,16,996	1,26,16,996	1,26,16,996
		- Percentage of shares (as a % of the total shareholding of promoter and promoter Group)	100%	100%	100%	100%	100%	100%
		- Percentage of shares (as a % of the total shareholding of share capital of the company)	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%

	Particulars	3 months ended 31-Dec-2014
B	**Investor Complaints**	
	Pending at the beginning of the quarter	NIL
	Received during the quarter	2
	Disposed off during the quarter	2
	Remaining unresolved at the end of the quarter	NIL

Notes:

1. The Financial Results were reviewed by the Audit Committee and upon their recommendation, approved by the Board of Directors at their meeting on 29-Jan-2015. The Statutory Auditors have carried out a Limited Review of the above financial results of the consolidated financial statement of MPS Limited (Group).
2. The Group operates in a single segment, "the business of providing publishing solutions viz., typesetting and data digitization services".
3. The MPS Limited has declared an Interim dividend of Rs. 10 (ten) per fully paid up equity share of Rs.10 each to the shareholders. The record date for this purpose would be 10/02/2015.
4. The Company has revised its policy of providing depreciation on fixed assets effective 01-Apr-2014. Depreciation is now provided on Straight Line basis for all assets as against the policy of providing on Written Down Value basis for some assets and Straight Line basis for others. As a result of these changes, the depreciation charged for the Quarter and nine month ended 31-Dec-2014 is higher by Rs.6 Lacs and Rs 89 Lacs respectively and the effect relating to period prior to 01-Apr-2014 is credit of Rs.772 Lacs which has been shown as an "Exceptional Item" in the above statement. Deferred tax of Rs. 262 lacs on this credit is included in the tax expense.
5. The standalone results are available on the Company's website www.adi-mps.com. The particulars in respect of standalone results are as under:

Particulars (Standalone)	Three months ended 31-Dec-2014	Preceding three months ended 30-Sep-2014	Corresponding three months ended in previous year 31-Dec-2013	Year to date figures for nine months ended 31-Dec-2014	Year to date figures for nine months ended in previous year 31-Dec-2013	Previous Year ended 31-Mar-2014
Net Sales	5,666	5,313	5,404	15,501	14,155	18,829
Profit before exceptional item and tax	2,463	2,190	2,482	6,369	4,821	6,595
Exceptional Items	-	-	-	772	-	-
Profit/(Loss) before tax	2,463	2,190	2,482	7,141	4,821	6,595
Tax Expense	809	768	855	2,438	1,642	2,251
Net Profit/(Loss)	1,654	1,422	1,627	4,703	3,179	4,344

6. Figures for the previous period(s)/years have been regrouped/recast where necessary.

By Order of the Board

Nishith Arora

Chairman and Managing Director

Place: Gurgaon

Dated : 29-Jan-2015

DECLARATION

Our Company certifies that all relevant provisions of Chapter VIII read with Schedule XVIII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VIII and Schedule XVIII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by

Nishith Arora
Chairman and Managing Director

Date: March 19, 2015
Place: Noida

DECLARATION IN ACCORDANCE WITH FORM PAS - 4

We the Board of Directors of our Company certify that:

(a) our Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(b) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and

(c) the monies received under the offer shall be used only for the purposes and objects indicated in the Placement Document (which includes disclosures prescribed under Form PAS - 4).

Signed by

_____

Director

I am authorized by the QIP Committee, a committee of the Board of Directors of our Company, *vide* resolution number _____ dated March 19, 2015 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by

Nishith Arora
Chairman and Managing Director

Date: March 19, 2015
Place: Noida

ISSUER

MPS LIMITED

REGISTERED OFFICE OF THE ISSUER	CORPORATE OFFICE OF THE ISSUER
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