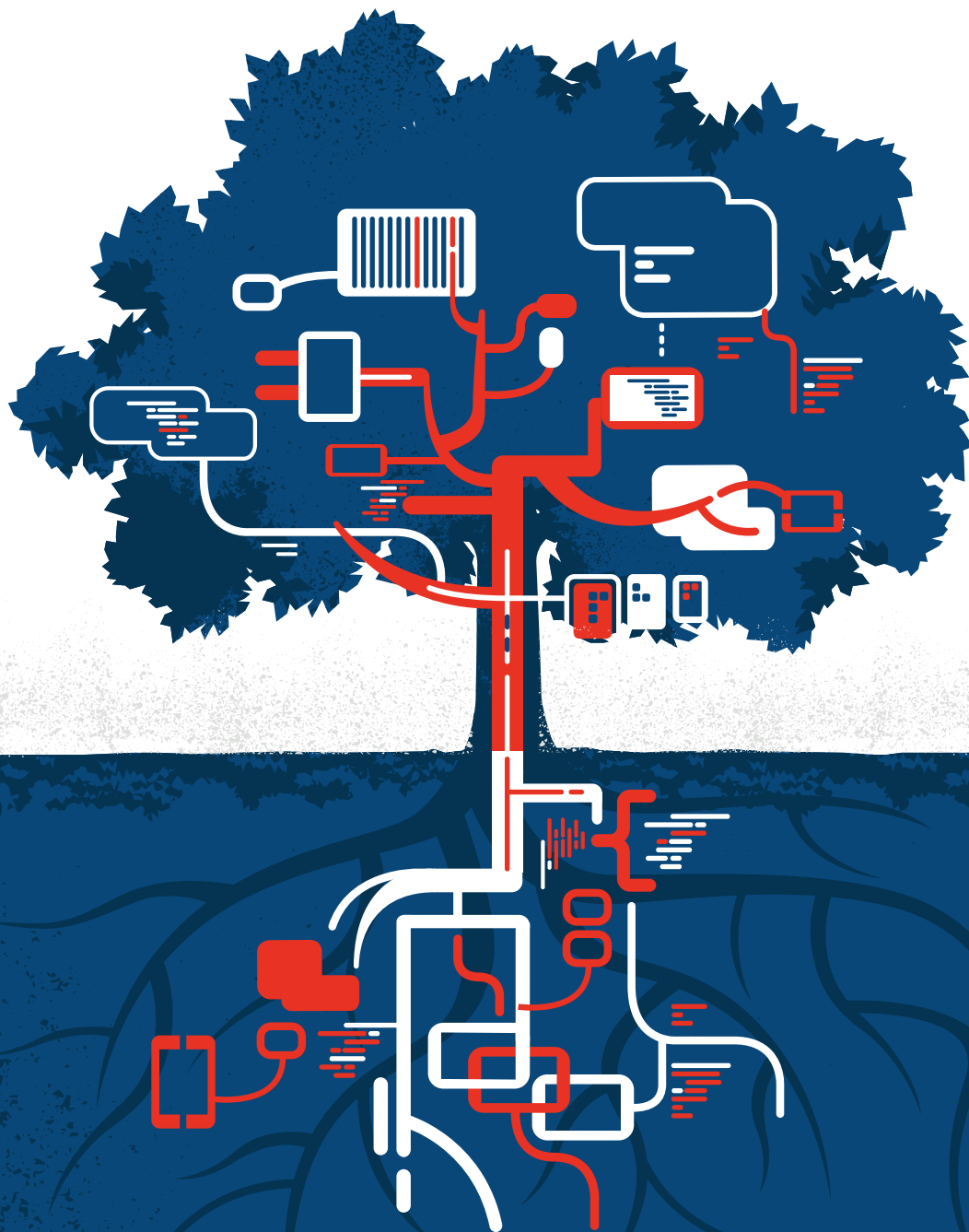


# INVESTING IN THE FUTURE



MPS LIMITED

47th Annual Report 2016 - 17

## KEY INFORMATION

### Chairman

**Mr. Nishith Arora**

### Vice Chairman & Independent Director

**Mr. D. E. Udawadia**

### Independent Director

**Mr. Vijay Sood**

### Independent Director

**Mr. Ashish Dalal**

### Chief Executive Officer & Whole Time Director

**Mr. Rahul Arora**

### Non-Executive Director

**Ms. Yamini Tandon**

### Chief Financial Officer

**Mr. Sunit Malhotra**

### Company Secretary

**Mr. Hitesh Kumar Jain**

### Auditors

**BSR & Co. LLP**

Building 10, 8th floor, Tower B

DLF Cyber City, Phase II

Gurugram 122 022, Haryana

### Bankers

**BNP PARIBAS**

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

**Kotak Mahindra Bank Limited**

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

### Corporate Office

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

### Registered Office

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

### Other Offices

• HMG Ambassador, 137 Residency Road, Bengaluru – 560025, Karnataka

• 340 Udyog Vihar, Phase IV, Gurugram, Haryana 122016

• 33, IT Park, Sahastradhara Road, Dehradun - 248001, Uttarakhand

### USA

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

### Subsidiaries

**MPS North America LLC**

5750 Major Blvd., Suite 100, Orlando, FL 32819

**MagPlus Inc.**

404, Fifth Avenue, New York, NY, 10018, USA

**Mag+AB**

Master Samuelsgatan 17, P.O. Box 1432, SE 11184, Stockholm, Sweden

### Registrar and Share Transfer Agent

**Cameo Corporate Services Limited**

Subramanian Building, 1 Club House Road, Chennai – 600002



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The global publishing industry is witnessing a structural shift.

Publishing is marked by an unprecedented transformation in the way we read on the one hand and technology changes on the other.

This reality threatens the existence of incomplete players. Interestingly, this reality also represents unprecedented opportunity for the competent.

At MPS Limited, we believe that there is only one way to address this opportunity:

By understanding needs with clarity, responding with speed, proactively building capabilities and competencies, and preparing for outperformance.

By investing in the future.



**MPS Limited is one of the most exciting players in the global content technology and solutions market.**

At a time when vendors are losing customers as a result of consolidation, MPS is adding to its clients and evolving its personality from a publishing solutions vendor to a platforms and content solutions partner.

At a time when others are engaged in short-term tactics to manage headwinds, MPS is investing in long-term strategies to build sustainable margins.

**Making MPS one of the most dynamic and technology-driven partners in the global content technology and solutions market.**

### **Heritage**

MPS Limited was established as an Indian subsidiary of Macmillan (Holdings) Limited in 1970. Over the years, the Company has reinforced its respect for deep domain insight and technology competence. The result: preferred technology and content solutions provider to the global publishing services outsourcing sector.

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

### **Management**

Mr. Nishith Arora transitioned into a Non-Executive Chairman position effective from May 15, 2017, to reflect the current structure

of the business. Additionally, Mr. Nishith Arora will continue to be part of the Investment Committee that is empowered by the Board to consider and evaluate acquisition opportunities. Mr. Rahul Arora continues to assume all executive responsibilities of the business and is supported by a senior professional management team heading strategic business units and key functions. This team is located out of India and the US.

### **Presence**

The Company is headquartered out of Noida in India's National Capital Region. The Company's offices are located across India (Bengaluru, Chennai, Gurugram, Noida, and Dehradun). The Company's international offices are located in the USA (Portland, Provo, Effingham, Orlando, Durham and New York).

### **Human Capital**

The Company had more than 2,800 employees as on 31 March 2017 (globally); 98% of the Company's employees were located in India and 2% across international operations (USA). 55% of the Company's senior management was located in India and 45% across international geographies (USA).

### **Credentials**

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

### **Diverse and growing customer base**

When ADI acquired MPS in 2011, the

customer base comprised Science and Scholarly publishers in the UK and Europe. Following the acquisition by ADI, the MPS customer base widened globally. The result is that 60% of the Company's revenues are now derived from the US, while the Educational Publishing Practice has become as large as the Science and Scholarly business segments. More recently, MPS opened its platforms and content solutions to the global enterprise market. The strategic transition from publishing solutions to a platform and content solutions partner will allow MPS to diversify its client base.

### Acquisitions

MPS has completed five acquisitions in the last four years. The US-based acquisitions were completed through MPS North America LLC, (**MPS North America**) a wholly owned subsidiary incorporated in May 2013. Mag+ AB and THINK Subscription were acquired directly by MPS Limited.

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

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

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

All these acquisitions have been neatly integrated under MPS North America, including streamlining of operations and structuring under one leadership. The combined entity has been the fastest growing business unit at MPS for the past two years. Additionally, the subsidiary has been able to cross-sell offerings from other business units in India such as learning platforms and content production services.

**2016:** Mag+ provides a complete ecosystem for creating and distributing content to apps on the 1 billion+ mobile devices in the world. Mag+ apps are content hubs that

engage and retain users. Mag+ provides tools for creating and delivering designed touchscreen-native documents and issues, news items, real-time notifications, in-app messaging, and web content. The acquisition of Mag+ enhanced MPS' platform capabilities and extended the Company into new publishing markets, including enterprises and magazine publishers. The enhanced platform capabilities position MPS to advise and support publishers in existing markets as they define their mobile content strategies.

**2017:** THINK Subscription is a subscription management software business that provides publishers with platforms and services to help them manage their subscribers and fulfill their needs. THINK Subscription was a part of Digital River, a global leader in e-commerce outsourcing. It builds and manages online businesses for more than 40,000 software publishers, manufacturers, distributors, and online retailers. The acquisition will deepen MPS' presence in the Science and Scholarly market, provide a strategic position to support customer's customers, and expand the company's platform capabilities to order management and customer support.

## The Business

### Publishing Solutions

**Content Creation and Development:** The content creation and development teams at MPS North America partner with publishers to create and develop engaging content for

print and digital delivery. Our subject matter experts and instructional designers bring their curriculum and classroom expertise to projects across disciplines for Educational and Professional Publishers.

**Content and Media Asset Production:** The content and media asset production teams at MPS are spread across facilities in India to provide end-to-end delivery across all print and digital formats through smart workflows powered by relevant platforms.

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

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

### Platforms and Related Services

**Platform Development and Technology Services:** MPS has an in-house platform development and technology division for publishers powered by 300+ experience developers and client support teams that combine technical expertise with publishing domain knowledge. This group enjoys a rich history of developing and implementing various software and technology services programs with some of the world's leading publishers. The recent acquisitions of Mag+ and THINK have helped diversify the customer base and enhance the Company's platform capabilities.

### Listing

MPS Limited shares are listed and actively traded on the National Stock Exchange of India Limited and BSE Limited. The market capitalization of MPS Limited for listing on NSE was ₹1,282.15 crore and on BSE was ₹1,275.45 crore as on 31 March 2017.

The content and media asset production teams at MPS are spread across the facilities in India to provide end-to-end delivery across all print and digital formats through smart workflows powered by relevant platforms.

# "We made significant investments in our business in FY 2016-17 that should translate into attractive sustainable growth"

Rahul Arora, *Chief Executive Officer*, analyzes the Company's FY 2016-17 performance

## Were you pleased with the performance of the Company during the year under review?

FY 2016-17 was a transformative year for MPS. We continued our steady revenue growth albeit at suppressed margins. Looking ahead, I am pleased with our ability to manage macro headwinds in the IT sector, navigate the turnaround of Mag+, and absorb upfront price discounts for longer-term revenues in our Journals production business. All these challenges resulted in some short-term pain for the Company that is reflected in suppressed margins in FY 2016-17.

## How do you see this playing out in FY 2017-18?

Much of the heavy lifting was completed in FY 2016-17 and this momentum of rationalizing costs will carry forward in the first half of FY 2017-18. The true positive impact will be evident in the second half of FY 2017-18. The suppressed margins were a short-term pain that the Company was required to endure due to a combination of factors – macro economic headwinds in the IT sector, unfavorable exchange rates, the acquisition of a loss-making asset in Mag+, and upfront price discounts in the Journals production business in exchange for sustainable longer-term revenues.

Mag+ will now enter into a profitable zone. Our technical prowess and platform capabilities served as a strategic asset and allowed us to transition technical operations from Sweden to India. The operations in Sweden have now been wound down. This transition was executed through most of FY 2016-17 and had a significant drag on the overall margins. The combined impact of the employee costs in Sweden, restructuring costs and transition costs had the largest negative impact on MPS' margins in FY 2016-17. The focus will now lie in growing Mag+ and making it an active contributor to the overall margins of MPS.

Content production for Science and Scholarly journals accounted for a third of our business. The market has been at the cusp of disruption; MPS was able to lead the disruption in FY 2016-17. The Company secured single-vendor status with one of the largest publishers in the space. This selection was a win for DigiCore that automated the largest part of their content production workflow. We entered an agreement with the publisher that provided price discounts upfront before the volume came into MPS, in exchange for long-term revenue. Additionally, we transitioned end-to-end production processes for Journals from Bengaluru to Dehradun. Previously, Dehradun would perform stages of the content production workflow for Journals. These transitions were drawn out longer because of the complexity of the stages being transitioned and a relentless focus of quality and delivery at MPS. We expect content production business for Science and Scholarly journals to start reporting high margins from the second half of FY 2017-18.

Overall, we are confident that FY 2017-18 will be a margins recovery year for MPS. There may be some choppiness in how those margins play out across quarters as some of the above initiatives continue to progress and some of the expected benefits will come into play in the second half of the year.

## What initiatives and developments proved business-strengthening in FY 2016-17?

There were a number of initiatives that proved business-strengthening during the year under review.

**One**, the Company reported 14 percent constant currency revenue growth in FY 2016-17, which was more or less in line with our retrospective average. One needs to appreciate this growth when a number of our peers actually reported lower revenues at a time of sectoral change.

**Two**, we were pleased with the throughput that we generated from MPS North America. MPS North America grew at a considerably higher growth rate than the corporate average. More importantly, a large proportion of the growth in these revenues was value-added in nature with the possibility of generating spillover revenues for our other business segments.

**Three**, the fact that we efficiently concluded competitive acquisitions that operate in the platform space (Mag+ and THINK), speaks highly of our business standing: the ability to be part of a prominent global deal flow, the insight to appraise targets and the capacity to conclude deals, a Balance Sheet to fund these acquisitions, and the managerial depth to integrate the acquisition seamlessly into the MPS ecosystem.

**Four**, we strengthened our management bandwidth to support scale through a decentralized structure. Our management team is aligned to a common purpose and organization culture.

## How is the business landscape evolving?

The publishing solutions market is getting increasingly competitive. Furthermore, value creation has displaced wage arbitrage as a fundamental driver of the market. Publishers want suppliers to demonstrate how they will take their businesses ahead today and in the future. We are optimistic of MPS' prospects as the two largest players in our spaces (considerably larger than MPS) have a wage arbitrage-driven model that we believe will become progressively margins-vulnerable across the foreseeable future. The mid-end level of the market addresses a narrowing market segment and will be threatened to survive; while the long tail is service agnostic, responding to fleeting opportunities and likely to completely disappear. When one sees the reality from this perspective, it becomes increasingly apparent that MPS holds the potential to endure and excel across the foreseeable future.



## STEVE JOBS AND MAG+

"And you know of all the futuristic magazines.....magazines out there (that) Popular Science has spearheaded. These guys did something really really breakthrough and if you haven't seen it, it's really worth taking a look at!"

### What makes MPS distinctive in this rapidly-evolving global space?

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

### What are the big opportunities that MPS could capitalize on?

The Company is investing in its future. We expect a large part of future organic growth to be driven by SaaS revenues from modules of DigiCore and newly acquired Mag+ and THINK products. Additionally, the Educational Publishing market segment continues to look attractive and we are well positioned to take advantage of the positive side of this cyclical market expansion. MPS continues its resilience in the Science and Scholarly Space by innovating through increased automation, re-imagination of workflows and rapid speeds in delivery.

### Shareholders would want to know where the Company stands with regard to the deployment of its attractive cash corpus.

We can not share any forward guidance but can share that our acquisition strategy has been refined. We are now looking to acquire healthy, growing assets where we can govern and guide growth, rather than acquire loss-making assets that we acquire, turn around and integrate. We recognize that this may require a stronger war chest of capital.



"The acquisition of Mag+ has enhanced our platform capabilities and expanded our reach into newer publishing markets including enterprises and magazine publishers. The enhanced platform capabilities will also position us to advise and support publishers in our existing markets as they define their mobile content strategies"

- Rahul Arora, MPS CEO

# OUR BUSINESS MODEL

At MPS Ltd., we believe that the robustness of our business model is showcased in the outperformance of our numbers against a landscape of sectoral weakness.

Even as several global publishing services companies have struggled in the last few years, MPS has grown revenues by 15% percent compounded in the four-year period ending FY 2016-17.

Even as several publishing services companies lost ground on account of growing competition, MPS increased wallet share of its prominent customers and acquired prestigious clients; MPS' top 10

accounts grew 7 percent against the Company's constant currency revenue growth of 14 percent in FY 2016-17.

Even as most global publishing services companies continue to provide commoditized services, MPS focused on client production and transformation through smarter workflows and DigiCore.

Even as most global publishing services companies struggled to retain customers and market standing, MPS deepened offerings across services, products and annuity engagements.

## Focus

MPS is India's only listed pure-play publishing services company. The Company provides platforms and publishing services for the global publishing industry. Over the years, MPS has strengthened its brand as a global specialist, strengthening access to customer projects and acquisition deal flows.

## Vision

MPS is driven by the long-term objective to emerge as one of the most respected publishing services companies worldwide. This overarching objective has dictated virtually every initiative and investment: investments in cutting-edge technologies, complementary acquisitions (five since 2011), on-the-ground marketing presence in North America, recruitment of American professionals to drive MPS North America, and a contrarian decision to back-end operations out of an Indian Tier 2 city (Dehradun).

## Credibility

MPS' business model revolved around governance and credibility. The Company evoked the trust to mobilize ₹147.8 crore (net of issue expenses) through Qualified Institutional Placement (QIP) within just four years of acquisition; the placement was conducted to provide MPS with a corpus to respond with speed and acquire global companies. We see this as a validation of our perceived capability at one end and the attractive unfolding sectoral opportunity on the other.

## Fiscal conservatism

MPS is marked by fiscal conservatism. The Company financed all capital expenditure from its depreciation provision; the Company has no debt; it parked balance ₹120.24 crore from QIP proceeds (March 2015) in liquid financial instruments including money market mutual funds, prioritizing security over returns. The Company has aggregated all acquisitions (cumulative ₹47.07 crore, represented just 20% of its aggregate cash generation of ₹240 crore in the three years ending FY 2016-17). The Company cherry-picked only those parts of the acquired businesses that dovetailed its own.

## Customer focus

MPS is focused on business from the 50 largest global publishing companies (volume and value assignments). The Company's value proposition makes it possible for customers to enhance revenues and moderate costs, strengthening their competitiveness. MPS also mines customers to up-sell and cross-sell services. The Company expects to increasingly address small publishers as it invests deeper in technology-based solutions.

## Geographic focus

MPS intends to grow its marketing presence in North America and Europe populated by the world's largest publishing companies. These geographies, marked by rising costs, warrant increased outsourcing. Relevantly, MPS completed five acquisitions in North America and Europe in four years. MPS back-ended much of its Indian operations in a Tier-2 Indian location (Dehradun), a superior quality and economy combination.

## Offshoring

Even as MPS customers are based in North America, its service delivery is routed out of India. The Company's offshoring model comprises a US team that markets to new customers coupled with a US servicing team working with Indian delivery centers. The result: growing revenues, larger customer wallet share and graduation from peripheral to core vendorship.

## Core vendor

MPS is evolving from a peripheral service provider to a core vendor for large publishing companies. The result is collaborative partnerships and multi-year engagement. The Company is evolving revenues to platforms and related services (income derived from licensing).

## Productivity

MPS' declining realizations in the Journals business have been more than offset by larger projects serviced from competitive locations (Dehradun accounting for 1,082 of the Company's 2,810 employees) and productivity-enhancing processes.

## Solution provider

MPS is an end-to-end solutions provider as opposed to piecemeal project delivery. This provides clients with convenience should they select to extend our engagement from one business segment to another without switching vendors. The Company assumes turnkey product development responsibilities for select products, liberating clients to focus on the development of marquee products, sales and marketing. This provides MPS with a diverse revenue mix



(services, annuity, and products) that broadbases its presence at the client's end.

### Technology emphasis

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

### Acquisitions

MPS acquired companies with complementary capabilities (brand, technologies, market share, people, or customers) to address sectoral opportunities. The Company acquired three companies in the three years ending FY 2015 - 16 and two more in FY 2016-17. MPS made a QIP of equity shares mobilizing ₹147.80 crore (net of issue expense) with the objective to acquire large targets, where longstanding customers would work with MPS following acquisition and where the Company can generate attractive long-term returns. The Company prefers to acquire only the brand, employee profile and customers, insulating the Company from hidden liabilities.

## The Evolution

At MPS Limited, we believe that the cornerstone of our business model is our ability to mutate with speed in response to changes in the external environment. In the space of six years since the present management assumed control, MPS has evolved its personality:

From a publishing solutions vendor > To a content solutions partner  
From generic services > To platforms and platform-centric services  
From an implementation company > To a trusted advisor to our clients  
From leading out of India > To leading from the customer's soil  
From organically driven growth > To organic-cum-acquisition-driven growth  
From a back-end assembler > To a front-end technology-enabled product developer  
From transactions > To multi-year customer engagements  
From a focus on existing areas > To the exploration of outsourcing in new areas  
From a simple delivery of solutions > To core vendorship across diverse areas  
From a people-driven growth model > To a platform-driven approach

## The Impact

### Credibility

The Company continues to protect its cash corpus pending investment in large acquisitions – ₹120.24 crore as on 31 March 2017.

### Acquisitions

The Company's acquisitions generated ₹80.4 crore in revenues in FY 2016 - 17 (28 percent of the Company's revenues in FY 2016 - 17); a significant part of the revenues derived from these acquisitions was high value-added and value-added in nature, making it possible for the Company to completely vacate the generic services space. This quantum of acquisition-driven revenues is poised to increase with revenues from two more acquisitions kicking in, starting FY 2017 - 18.

### Value-addition

MPS North America generated a sharp increase in revenues from high value-added and value-added segments – from 15 percent aggregated in FY 2015 - 16 to 22 percent aggregated in FY 2016 - 17. The Company is evolving its revenues to platforms and related services (income derived from licensing).

### Employee costs

The Company moderated employee costs

from 56% of revenues in FY 2011 - 12 to 42% in FY 2016-17. As platforms revenues increase, this proportion is likely to decline even as they would continue to increase for conventional service providers.

### Customer focus

The proportion of revenues from the Company's ten largest customers increased from 75 percent in FY 2013 - 14 to 76 percent in FY 2016 - 17.

### Geographic focus

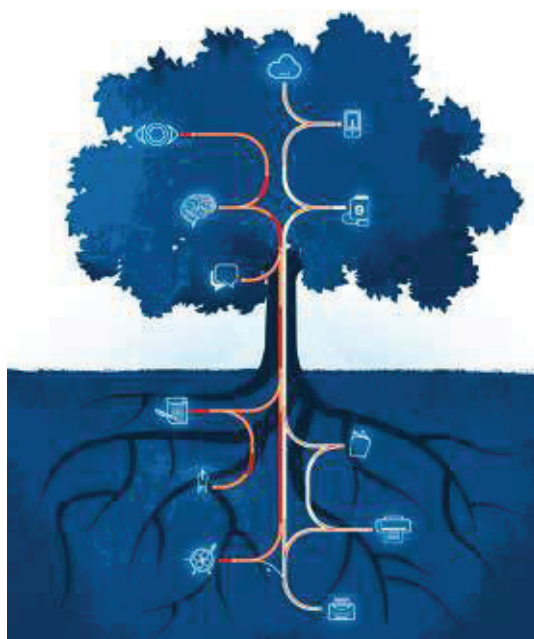
The Company increased service-based revenues driven out of operations in a Tier-2 Indian location (Dehradun). The number of employees at Dehradun location increased from 618 to 1,082 in the three years ending 31 March 2017.

### Productivity

Per employee monthly revenue increased from ₹55,400 in FY 2011 - 12 to ₹72,100 in FY 2015 - 16 to ₹81,000 in FY 2016-17.

### Technology emphasis

The proportion of revenues from technology-enabled services increased from 9 percent in FY 2015 - 16 to 16 percent in FY 2016 - 17, marked by employee costs considerably lower than in the other segments, strengthening profitability.



# OUR PRODUCTS AND OFFERINGS

## Publishing solutions

- Content creation and development
- Content production and transformation
- Learning solutions
- Fulfillment services and customer support

## Platforms and Services

- DigiCore
- Mag+
- Think
- Platform-related services

## PUBLISHING SOLUTIONS

### 1 Content Creation and Development

Comprises authorship, the foundation of the publishing business

#### Overview

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

#### Highlights, FY 2016 - 17

- Extended from US-based programs (US language) to UAE clients (English and Arabic)
- Extended from science and mathematics to language and arts
- Expanded STM coverage (from nursing to medicine)
- Graduated from low and mid-end to medium and high-end assignments
- Increasing investment in products
- Integrated the team under one Product Development head
- Selective recruitment of professionals who previously worked on the publisher side
- Strengthened team; all Directors with teaching and publishing experience

### 2 Content Production and Transformation

Comprises the businesses of Journals, Books, and Digital Services

#### Journals overview

- Largest business segment; focuses on larger, quicker, and cheaper content

creation across platforms

- MPS global leader in content transformation and project management services (author-to-reader publishing value chain) focusing on print and online publishing
- Solutions delivered out of three locations – Dehradun, Bengaluru, and Chennai
- Scientific publishing, the fastest growing sub-sector insulated from market volatility

#### Journals strengths

- Four-decade domain experience of working with multiple global publishers
- One of the largest in the Indian publishing services space
- Technology-enabled content production with compatible design
- High use of automation and innovative processes
- Respected for zero-error workflow and error-free product delivery
- Research-led development of state-of-the-art publishing tools (DigiEdit and DigiComp)
- Competitive Dehradun costs

#### Journals highlights, FY 2016 - 17

- Graduated from semi-automated to fully automated solutions
- Short-term margins and revenue erosion
- Reallocating projects from Bengaluru to low-cost Dehradun
- Dehradun addressing entire workflows

#### Books overview

- Services bridge gaps between instructors and learners - school, higher education, academic, and STM

- Making educational content engaging

- Comprises content development, editorial, full-service project management, and page composition services
- Addressing growing needs of the world's leading educational, scientific and scholarly publishers
- Business conducted from Noida, Dehradun, and Chennai (India) and three US locations (Orlando, Portland, and Durham)

#### Books strengths

- More than 35 years of experience
- Partnerships with educational and professional publishers
- Technology-enabled workflows resulting in process efficiency
- Proprietary editorial and project management skills; upstream integration with content development services; downstream integration with e-learning services
- Global presence, resource scalability, and delivery; flexibility to assume large projects without compromising quality or timeliness
- Full-service project management and editorial capabilities

#### Books highlights, FY 2016 - 17

- Transitioned some operations from Noida to Dehradun
- Delivered digital products through publisher and third-party platforms
- Expanded scope of digital deliveries based on publishers
- All print and digital products delivered simultaneously

### Digital Services overview

- Growing need for e-books with PDF files
- Growing need of publishers to selectively digitize their large book and journal archives

### Digital Services strengths

- Multi-format content conversion services
- Technology-enabled conversion workflows
- Capacity to address large and diverse volumes (source files)

### Highlights, FY 2016 - 17

- Strategic growth in partnership with one of the leading content aggregators

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

## 3 Learning Solutions

### Overview

- Popular use of smartphones in accessing interactive educational content, technologically compatible platforms and evolution from print to digital / digital devices
- Comprises media asset development (videos, animation, art, and illustrations)
- Shift from teacher capability to student experience
- High content adaptability; can monitor products in real time (teacher to students and student to student)
- Comprises mobile applications (e-learning), website interactivity (e-learning assessment), technology migration (animation and offline site), and teacher-student interaction.
- Comprises advanced multimedia tools
- Comprises educational CDs and DVDs (animations, activities, games, and other interactive content)

### Strengths

- Domain knowledge plus technology competence
- Deep client-specific insights
- Complement of designers, content

- developers, and instructional designers
- US acquisitions enhanced competitiveness
- Widening ability to cross-sell and up-sell
- Cutting - edge engagement; brand - enhancing

### Highlights, FY 2016 - 17

- Conducted individual project-based engagements
- Re-developed platforms from Flash to HTML5 for large clients
- Worked with small to mid-publishers
- Delivering core projects for large publishers

### Database / Directory Publishing services overview

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

The functions of this business unit encompass Yellow Pages Directory Display, In-Column Spec, BAV, Digital Advert Creation, and Pagination. Printed directory advertising includes speculative advertising as per the client's specifications in terms of technique, design, language, and quality. MPS creates text-based, framed in-column advertisements according to customer standards.

### Strengths

- **Scale:** This is one of the largest design centers in India, with over 13 years of experience in offshore creative and ad designing.
- **Services:** The division provides creative, end-to-end pre-press solutions for magazines, directories, newspapers, catalogues, and several verticals, as well as multi-format design solutions for print and online publications, with designs in multiple languages
- **Systems:** The division provides native culture training programs to improve productivity and quality
- **Service:** The division provides round-the-clock support to ensure compliance at all times

- **Standards:** Creative freedom adverts are designed using innovative ideas

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

### Highlights, FY 2016 - 17

- Improved margins
- Steady organic growth

## 4 Fulfillment Services and Customer support

### Overview

- Nearly 80 per cent of all publisher revenues are derived from online sales
- Growing need to extend publisher business models to online
- Emerging opportunities in subscription management and marketing support

### Strengths

- End-to-end solutions for subscription cycle; customer relations management for products (print and online)
- Capability in managing multiple currencies, global address structures, diverse tax structures
- Empowers customers in analyzing sales trends resulting superior supply chain management
- Deep multi-decade capability (edge over BPO competitors)

### Highlights, FY 2016 - 17

- Evolved to the technology side, retaining relevance

## PLATFORMS AND SERVICES

### 1 Progress on DigiCore

### Overview

- Dynamic segment; high upside potential
- Growing global opportunity in technology-led content delivery

## Strengths

- Deep domain understanding in addressing the specific publishing application service requirements of publishers; ability to provide products or services – a hybrid model
- Technology services to publishers comprise: proprietary platform development (per transaction payment), platforms (author to reader) customized around customer needs (translating into outright sale and / or maintenance services)

- Track record of having created more than 20 technology platforms for the global publishing industry (attracting more than six million visitors per day); ability to deliver platforms among the shortest tenures in the world
- DigiCore accepted as a leading industry platform in the STM and academic editorial and production spaces, facilitating concurrent workflows, digital publishing over print, and facility to update
- MPSTrak product rated as one of the best in the world in the journal management niche

## • Highlights, FY 2016 - 17

- Big year for ScholarStor
- Engaged three large customers (delivered for one)
- MPSTrak marketed to two large scientific publishers; worked with mid-sized UK publisher and large global publishers (US and Germany)
- Acquired Mag+ and THINK to take this business ahead
- Potent MPSTrak, DigiEdit and DigiXML combination

## OUR PLATFORMS

### DigiCore

DigiCore is a cloud-based end-to-end platform that streamlines, automates, and optimizes the publishing process. It is a workflow driven with different stakeholders working in a collaborative fashion. The platform is powered by a workflow-driven content management solution built on an advanced BPM engine and DMS infrastructure. The online rich editing environment (underlying XML) for authors, reviewers, and editors provides customized functionalities including math and table editing, and on-the-fly HTML/EPUB/PDF preview. The end-to-end CMS and real-time dashboard allows the user to easily create, capture, manage, deliver, and archive documents. The platform seamlessly integrates with other systems including publisher systems and online databases.

### MPSInsight

MPSInsight is an intelligent, cloud-based platform that allows users to dynamically access and analyze content usage. It empowers publishers and librarians with powerful content usage analytics on a cloud-based platform; generation of sales and marketing reports, including region-wise trends and title-wise trends, allows librarians to compare usage statistics, derive useful metrics, and make better informed purchasing decisions. With a 99.95% uptime guaranteed and lower operational costs it is a highly intuitive user interface that is branded to publisher requirements.

### ScholarStor

ScholarStor is a cloud-based HTML5 solution for scholarly content that allows publishers to manage and render content across multiple channels. ISMS compliant, ScholarStor has a responsive design that extends seamlessly to Apple and Android operating systems. Through this, users get access to subscribed content, benefit from electronic tools for XML to HTML conversion, access to new markets, and access to analytics that can help publishers make smart business decisions.

### MPSTrak

MPSTrak provides workflow and content management tools required for constantly evolving editorial and production system processes in a rapidly changing publishing world. Providing further operational agility to users, it is a dynamic cloud-based workflow and content management platform for books, journals, and reference works; workflow management and tracking; workflow task management; transparency and correspondence; author service and peer review; work automation; content management; estimation, Profit & Loss, and PO management; integration and reporting. It provides a highly intuitive user interface, faster time-to-market, increased transparency among shareholders, global visibility on workflows and more efficient workflow solutions.

### MPSScholarlyStats

MPSScholarlyStats is a proven usage analytical tool that allows librarians to make data-driven decisions. Its highly intuitive user interface can be customized to the specific requirements of libraries and other institutions. The clear analytics provided by this interface indicate which areas to focus on to attain a higher return on investment and more efficient utilization of the user's e-resources. MPSScholarlyStats is a very useful tool that can be used in libraries to validate existing content subscriptions, analyze content inventory, and choose and acquire new content.

### ContentStore

MPS hosts an e-book delivery and distribution platform with feature for converting, showcasing, marketing, and distributing content in various ways. This helps drive e-book sales over the web and mobile platforms including iOS, Android, and other web applications. It is supportive of global content formats, enables distribution of content over mobile platforms and social media, allows publishers to access counter compliant and other usage statistics. The ContentStore's interface enables publishers and institutions to implement their e-content strategies while protecting content through a variety of DRM options and enhanced flexibility between different feature sets which allow the creation of an individual e-BookStore.

# MANAGEMENT DISCUSSION AND ANALYSIS : FY 2016 - 17

## Company overview

MPS provides platforms and services for content creation, full-service production, and distribution to the world's leading publishers, learning companies, corporate institutions, libraries, and content aggregators. The Group is powered by 2,800 employees based across its five operations and technology centers in India (Noida, Gurugram, Dehradun, Bengaluru, and Chennai), and its five offices in the US (New York, Orlando, Durham, Effingham, and Portland).

Established as an Indian subsidiary of Macmillan (Holdings) Limited in 1970, the parent company has evolved over its 47 year history to become one of the most experienced and dominant players in the publishing outsourcing space. The equity shares of the Company are listed on BSE and NSE. In October 2011, the Company was acquired by ADI BPO Services Limited (ADI BPO) from Macmillan (Holdings) Limited. Mr. Nishith Arora is the largest shareholder and promoter of ADI BPO.

<sup>1</sup>In February 2017, the Company entered into a definitive asset purchase agreement to acquire Think Subscription, subject to customary closing conditions. The acquisition was not expected to have a material effect on revenue and profits of the Group. Think Subscription is leading SaaS provider for Subscription Management.

In July 2016, MPS completed the acquisition of Magplus. Magplus is a leading SaaS provider for developing content-based mobile applications for publishers and enterprises. To date, more than 4,500 apps have been developed using Magplus SaaS products. The acquisition of Magplus has enhanced MPS' platform capabilities and positioned it to support publishers as they define their mobile content strategies. The Company made continued efforts through FY 2016 - 17 to turn around the loss-making

Magplus and integrate its operations with rest of MPS.

The three US-based acquisitions (Element, EPS, and TSI) completed through MPS North America LLC ("MPS North America"), a wholly owned subsidiary, further stepped up their direct and indirect contribution to the Company's revenue. MPS North America has successfully positioned itself as a leading product developer for educational, academic, and medical publishers and learning companies. This engagement has also led to strategic partnerships with customers to create additional value.

MPS has received various quality and information security accreditations including ISO 9001:2008 (Quality Management System), ISO/IEC 27001:2013 certificate (Information Security Management System) and practices stringent security and compliance policies and controls. The Center of Operational Excellence (CoOE) was created to drive a culture of continuous improvement in the Company's operations. CoOE is an independently governed entity, outside of operations, reporting to the CEO, and is focused on implementing processes and systems that help develop high-performance teams based on a continuous improvement framework – to define, measure, analyze, improve, and control.

The Group is powered by 2,800 employees based across its five operations and technology centers in India, and its five offices in the US.

## Market developments

The global publishing market continues to be flat with some market segments even declining. This nature of the business has led publishers to reimagine their conventional business models, while continuing to optimize existing operations and related spend. This pressure has led to short-term pain for the publishing outsourcing market as vendor partners also reposition themselves to be more suitable partners to publishers. Publishers are looking to consolidate with comprehensive suppliers such as MPS that can help them optimize, automate, and streamline their operations. However, publishers demand the benefits of such consolidation upfront, even as vendor partners develop systems and processes to absorb this level of change. In this competitive scenario, a handful of players such as MPS continue to hold their lead position in the market, while some others struggle with declining revenues and a drop in margins; why the long tail of vendors starts to diminish.

The macro economic environment is also shaping headwinds. The Indian IT sector is expected to witness a slowdown. Goldman Sachs<sup>2</sup> says it expects India's technology industry to witness a slowdown due to cloud computing, rising protectionism, and weak exposure to high-end businesses. They expect revenue growth for the Indian IT sector to normalize at lower levels after a decade of double-digit growth, affecting margins. The intangible challenge of perception is also expected to cause further headwinds for the IT sector<sup>3</sup>. The rise of protectionist politicians and parties in the developed world make perception a crucial challenge for the Indian IT sector, which has gained a popular reputation of displacing onshore jobs.

While the macro IT market developments and the immediate demands of the

<sup>1</sup>MPS Limited completed the acquisition of Think Subscription on April 1, 2017.

<sup>2</sup><http://economictimes.indiatimes.com/markets/stocks/news/goldman-sachs-expects-indias-it-sector-to-witness-slowdown-going-ahead/articleshow/57451496.cms>

<sup>3</sup><http://www.livemint.com/Opinion/xQh5DVqwqVclMte5pF11L/A-challenging-time-for-the-Indian-IT-sector.html>



publishers do pose short-term challenges, they also represent opportunities. MPS' diverse talents and capabilities, technical prowess and financial depth allow it to put in play several strategic initiatives that on fruition will allow MPS to overtake its competitors. One such strategic play is the entry into the enterprise outsourcing space through mobile application development. The total mobile application development market is expected to grow by a CAGR of 30% between 2014 and 2019 reaching a total market size of USD 7,151 million in 2019. Demand for Enterprise Mobile Apps is expected to outstrip available development capacity by five to one<sup>4</sup>. Additionally, MPS continues to invest in its proprietary digital publishing platform – DigiCore; and acquire new interests in the platform business (Magplus, Think Subscription). Research conducted by InfoTrends suggests that more than 90% of all enterprises are moving toward electronic documentation. These include digital publications such as annual reports, brochures and other corporate documentation – spurring investments in the sector. As a result, InfoTrends estimates that the digital publishing platform market will grow by a 26% CAGR over the next five years, crossing USD 900 million in 2019.

### Discussion on financial performance with respect to operational performance

The inevitable slowdown of the Indian IT sector has had some early impact on MPS. Revenue grew by a modest 12 percent in FY 2016-17. On a consolidated basis, revenue grew from ₹261.25 crore to ₹290.61 crore (including revenue related forex loss/gain). Margins were affected after the acquisition of Magplus, a loss-making asset. Upfront price reductions in the journals production business to secure longer-term revenue also had a short-term impact on the margins. The transition and ramp-up of these operations in Dehradun is well under way, in combination with a configuration of automated tools and processes for these workflows. Additionally, loss of some high margin revenue due to a consolidation of operations by a customer outside India impacted final results. These combined effects suppressed margins and PBT (before exceptional items) grew by a nominal 1.2% from ₹105.14 crore to ₹106.43 crore. An amount of ₹27.56 crores was utilized for the acquisition of Mag+ and Think Subscription. The remaining net proceeds of ₹120.24 crores from the QIP funds remain invested in interest/dividend-bearing liquid instruments, including money market instruments; these will be utilized as per the objects of the QIP as and when a suitable opportunity materializes. The Group continues to have no borrowings.

### Segment-wise and product-wise performance

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

### Internal control systems and their adequacy

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

The Company reappointed Grant Thornton as the Internal Auditors for the FY 2016 - 17. The Internal Audit function ensures that the system of recording and reporting, internal controls and checks, safeguarding and protection of assets in time are adequate, proper and as mandated by the Audit Committee. The Internal Auditor reports to the Audit Committee.

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

## STRENGTHS

MPS believes that the following competitive strengths position it to take a lead in the market

#### Rich heritage and Comprehensive Vendor Partner

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

#### Strong Presence in the United States

MPS believes that its primary growth in the future will be from the United States. MPS North America has successfully positioned itself as a leading product developer for educational, academic, and medical publishers and learning companies. Additionally, MPS is also developing a front-end for its platform interests such as DigiCore, Magplus, and Think Subscription; and this will include solution architects, account executives, and business development professionals in the US. As publishers identify new areas of outsourcing

and consolidate existing business with fewer strategic suppliers, MPS is in a differentiated position by not only providing its customers local access to senior management, but also giving access to product developers and solution experts. The primary operations continue to be in India while the strategy, leadership and business development teams in the US help shape future business for the Indian operations.

#### Experienced operations management with a reputation for excellence

MPS follows a decentralized operating model with experienced Operations and

<sup>4</sup>Gartner, June 2015.

Center Heads reporting directly to the CEO. These Business Heads manage their local operations and work directly with customers; and with the MPS teams in the United States. The Operations Centers in India are stable and their operational experience and business knowledge offer a significant competitive advantage. Outside of operations, MPS has also invested in the development of Center of Operational Excellence (CoOE) that ensures operations are continually improving in productivity leveraging on smarter workflows, processes, and business systems; and consistently meeting or exceeding client expectations on key service level parameters including product quality, schedule adherence, communication, responsiveness, and budget adherence.

### Ability to Scale and Geographic Diversity partner

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

1. Flexibility to recruit diverse talents across locations and manage attrition typically associated with the ITeS industry.
2. Individual centers led by respective Heads focus on being centers of excellence for customers and/or business areas.
3. No significant capital expenditure is required to ramp up operations. An increase of nearly 50% in headcount is possible in the current infrastructure.
4. Dehradun facility is a strong differentiator as it offers lower cost operations. The operations in Dehradun are now more mature and are taking on more comprehensive processes. Going forward, Dehradun will be our largest operations for content production for each product type including books, journals and reference works.

### Committed to Platforms

The offshore production services market is in a mature stage, where pricing pressures are real and differentiation limited. In such a market, MPS is in a unique position as the Company has leveraged the DigiCore

platform to power such services through technology-enabled workflows. This has enabled a faster time-to-market and a significant reduction in manual touch points, resulting in reduced errors and costs. As we continue to grow our offshore production services revenue, marginal costs will be minimal as all solutions are hosted on Amazon Web Services and the Company does not plan to add to the current headcount. This strategy towards offshore production services is allowing MPS to win more business from its clients, as they look to consolidate such operations with fewer suppliers to gain efficiencies.

In addition to internal deployment, DigiCore is gaining traction as a Software as a Service ("SaaS") platform used by publishers. We continue to invest in the platform to ensure that it meets the fast changing requirements of publishers and establishes a lead position in the market. The additions of the Magplus and Think platforms to the core offering are expected to enhance quality of revenues and also result in revenues for other lines of business.

### Healthy Balance Sheet and stable vendor partner

MPS continues to maintain a healthy balance sheet with shareholders' funds of ₹347 crore. In a rapidly changing and an uncertain vendor partner environment, MPS presents stability to its customers. The vendor partner pool of publishing solutions providers has witnessed significant consolidation and financial pressure over the past few years. In the past few years, MPS has been on the positive side of all major consolidations as publishers have looked to reduce suppliers. MPS' stable financials and ambitious growth plans provide for an exciting and more certain future to the publishing community.

### Opportunities

Since ADI BPO's acquisition of MPS in FY 2011 - 12, the Company has grown over 80 percent in revenue. In the initial years, margins increased at a much faster rate. FY 2016 - 17 saw uncharacteristically suppressed margins due to macro economic factors, losses in Magplus, absorption of price cuts in exchange for assured longer-term revenue, and a loss of business as a result of factors beyond the Company's control. There

will be some carryover of these in the first half of FY 2017 - 18, where the focus would be margins recovery without compromising investments for the future. The Company is making investments in developing a mature business development and marketing organization for its SaaS business in India and the US, continued development of its platforms, and its Center of Operational Excellence that is focused on enhancing productivity of its operations. In the second half of the year, the higher margin platform business – DigiCore, Magplus, and Think Subscription is expected to establish much-needed organic growth momentum for the Company. DigiCore has two complex implementations in FY 2017 - 18 with large publishers and successful delivery is expected to reposition the platform as a lead offering in its space from a budget offering to small-medium publishers. Post acquisition, there has been a lot of interest in the market for Magplus and Think Subscription since they were product leaders in their prime, and are now attached to a growing and stable company. Additionally, spending on Education is expected to grow till 2020 in the United States per industry experts. MPS is expected to gain a large market share as publishing outsourcing picks up in this space, since MPS North America has diligently developed a reliable and creative product development reputation with the leading educational publishers, through successful implementations on large, complex projects since the acquisitions of Element, EPS, and TSI.

On the inorganic side, MPS has become more selective and is assessing larger assets than previously to allow the Company to take a bigger leap in the market. The Company is looking for scale via acquisitions that have the scope to help add complimentary revenue, minimizing overlap of business areas, and maximizing long-term returns.

### Threats

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

# RISKS AND CONCERNS

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

**1. Regulatory Risks:** The changes in tax laws, government policies, and regulatory requirements might affect Company business. MPS continues to operate in five states each in India and the United States, and this diversity helps contain this risk.

**2. Disaster and security risk:** This is a major concern for all IT/ITeS companies. This is being mitigated at MPS by having robust business continuity and disaster recovery plans that include using alternative sites for data storage and protection. During the last Chennai floods, MPS stood out in its ability to manage the natural disaster. The Company was not only able to secure its operations but also support publishers by transferring work to MPS as competitors struggled.

**3. Technological risk:** Adoption of newer technologies by clients is expected to force service providers to also adopt newer technologies involving substantial investments in workflow and manpower management. However, adoption of new technology platforms by clients is quite

limited and typically a provider such as MPS would play a lead role in such a switch. This helps mitigate the risks.

**4. Currency risk:** Currency fluctuation generally remains a big risk. This risk is mitigated to a certain extent by taking adequate foreign exchange forward cover. Further, all internal operations and costs planning is completed at a lower exchange rate than the market that will somewhat allow absorption of a negative swing.

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

**6. Customer concentration risk:** The Company depends on a relatively small number of key overseas publishers. Expanding the customer base is mitigating

this risk. Within the current customers, the Company is looking to deepen the partnership by supporting publishers in new areas of outsourcing.

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

**8. Pricing risk:** Pricing pressure is a big and constant risk due to increased competition. The Company strives to mitigate this risk with existing customers by a trade-off for volumes. Thereon, it is the Company's endeavor to reduce the impact by taking advantage of economies of scale and increasing productivity, as well increasing automation within these processes.

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

Overall, approximately 70 percent of MPS Associates are based in facilities that are under the ownership of ADI BPO /MPS. As we continue to grow, our broad approach will be able to maintain headcount and have 80 to 85 percent of our Associates in such facilities, further reducing operating expenses and creating a deeper competitive advantage.

The Dehradun Operations Center further enhanced its capabilities in FY 2016 - 17 by moving from delivering stages of

production workflows to delivering end-to-end workflows. The Center's largest operations are for journals production and Dehradun has now replaced Bengaluru as our primary facility for the Journals business unit, which employs over 1,500 Associates. Additionally, the Company also stepped up the transition of comprehensive processes for the Books and Digital Services business units at the end of the financial year.

### Cautionary statement

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

## Statutory Section

# Report of the Board of Directors

## Dear Members,

The Board of Directors hereby submits their Forty - Seventh Annual Report on the business and operations of your Company along with Audited Financial Statements for the financial year ended March 31, 2017.

## Financial Highlights

The summary of the financial performance of the Company during the financial year 2016 - 17 is summarized as under:

(₹in lacs)

Particulars	Standalone		Consolidated	
	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2017	For the year ended 31.03.2016
Gross Income	24,239.53	24,236.54	30,889.76	27,557.33
Profit Before Interest, Depreciation and Tax (Excluding Exceptional Income)	10,595.56	10,784.59	11,328.37	10,938.03
Finance Charges	17.46	11.40	17.46	11.40
Provision for Depreciation	459.69	385.63	667.90	412.16
Profit Before Tax (Excluding Exceptional Item)	10,118.41	10,387.56	10,643.01	10,514.47
Exceptional Cost	-	-	411.40	-
Provision for Tax	3,168.32	3,335.05	3,235.68	3,390.82
Net Profit After Tax	6,950.09	7,052.51	6,995.93	7,123.65
Balance of Profit Brought Forward	8,870.41	7,452.66	9,079.57	7,590.68
Balance Available for Appropriation	15,820.50	9,575.66	16,075.50	9,784.81
Transfer to General Reserve	695.01	705.25	695.01	705.25
Surplus carried to Balance Sheet	15,125.49	8,870.41	15,380.49	9,079.57

## Operational Highlights

### Standalone

The revenue from operations on standalone basis for the year ended March 31, 2017 stood at ₹223.56 crores as against ₹224.04 crores for the previous year. Standalone operational expenses for the year were ₹136.44 crores as compared to ₹134.52 crores for the previous year. The standalone Profit After Tax for the year ended March 31, 2017 was ₹69.50 crores and EPS ₹37.33 per share as against ₹70.53 crores and ₹37.88 per share respectively for the previous year. An amount of ₹6.95 crores has been transferred to General Reserve during the year ended March 31, 2017 as compared to an amount of ₹7.05 crores for the previous year.



### Consolidated

The consolidated revenue from operations for the year ended March 31, 2017 increased to ₹288.70 crores as against ₹257.21 crores for the previous year. Consolidated operational expenses for the year were ₹195.61 crores as compared to ₹166.19 crores for the previous year. The consolidated Profit After Tax for the year ended March 31, 2017 was ₹69.96 crores and EPS ₹37.58 per share as against ₹71.24 crores and ₹38.26 per share respectively for the previous year. An amount of ₹6.95 crores has been transferred to General Reserve during the year ended March 31, 2017 as compared to an amount of ₹7.05 crores for the previous year.

In the preparation of Financial Statements the provisions of the Companies Act, 2013 (the "Act"), read with the Companies (Accounts) Rules, 2014, applicable Accounting Standards and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") have been followed.

### Dividend

In order to conserve the resources for the inorganic growth and business expansion, the Board of Directors of the Company did not declare any dividend during the year.

### Transfer to the Investor Education and Protection Fund

During the year under review, no amount became due for transfer to the Investor Education and Protection Fund established by the Central Government under Section 125 of the Act.

Details regarding unclaimed dividend has been updated on the website of the Company, [www.adi-mps.com](http://www.adi-mps.com). The shareholders, who have not yet claimed any of their previous dividends, are requested to contact the Company's Registrar and Share Transfer Agent (the "RTA") for timely claiming the same. The contact details of the RTA are provided in the Annual Report as well as on the Company's website.

### Consolidated Financial Statement

Consolidated Financial Statements prepared in accordance with Accounting Standard 21 is separately disclosed in the Annual Report. As per the requirements of Section 129 of the Act read with Rule 5 of the Companies (Account) Rules, 2014, a statement containing salient features of the financial statements of subsidiaries in Form AOC - 1, is attached to the Consolidated Financial Statement.

### Statutory Auditor and Audit Report

At the 46th Annual General Meeting ("AGM") held on July 19, 2016, M/s. BSR & Co. LLP, Chartered Accountants, (firm registration no. 101248W/W-100022) had been appointed as the Statutory Auditors of the Company for a term of 5 years to hold office till the conclusion of the 51st AGM of the

Company to be held in the calendar year 2021. In terms of the first proviso to Section 139 of the Act, the appointment of the auditors shall be placed for ratification at every AGM. Accordingly, the appointment of M/s. BSR & Co. LLP, as Statutory Auditors of the Company, is placed for ratification by the shareholders. The Company has received written consent and confirmation from M/s BSR & Co. LLP to the effect that their appointment, if made, would be within the limits prescribed under Section 141 of the Act and rules framed thereunder and they satisfy the criteria provided under the Act for being appointed as the Statutory Auditors of the Company.

The Audit Report on the Financials Statements of the Company for the financial year ended March 31, 2017 read with relevant Notes thereon are self - explanatory and do not call for any further explanation. The Auditors Report does not contain any qualification, reservation, or adverse remark.

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

### Share Capital

During the year there has been no change in the paid up equity share capital of the Company which stood at ₹18.62 crores. During the year, the Company has neither introduced any Stock Option Scheme, nor issued any shares with differential voting rights.

### Acquisitions

**Mag+:** During the year the Company acquired Mag+, a leading digital platform for creating and distributing content apps, through a Share Purchase Agreement dated July 01, 2016. Mag+ is a complete ecosystem for creating and distributing content to apps on the 1 billion+ mobile devices in the world. Mag+ apps are content hubs that engage users and keep them coming back. It gives users tools for creating and delivering designed touchscreen - native documents and issues, news items, real - time notifications, in - app messaging and web content. Mag+ pioneered touchscreen publishing on the first iPad and remains the fastest and simplest publishing platform for creating content optimized for mobile devices, without the need for programming skills. Mag+ acquisition enhanced MPS' platform capabilities and expanded its reach into newer publishing markets including enterprises and magazine publishers.

**Think Subscription:** The Company signed an Assets Purchase Agreement dated February 03, 2017 for acquisition of THINK Subscription Business ("THINK") based in Provo, Utah, USA. This acquisition was subject to customary closing conditions which were completed on April 1, 2017. THINK is a provider of subscription management and fulfillment software to content publishers, online service providers, media vendors and other subscription based businesses. Acquisition of

THINK will enhance Company's platform capabilities to include subscription management and fulfillment solutions.

## Subsidiaries

MPS North America, LLC ("MPS North America"), wholly owned subsidiary of your Company, is focused on content creation and development, project management, and media asset development for K12, Higher Education, Academic and STM publishers. The operations of past three USA - based acquisitions (Element, EPS, and TSI) completed through MPS North America, have now been completely integrated into the overall operations of MPS North America.

The revenue of MPS North America for the year ended March 31, 2017 was ₹79.69 crores as compared to ₹37.41 crores during the previous year. The Profit Before Tax for the year was ₹1.48 crores and Profit After Tax was ₹0.80 crores as compared to the previous year's Profit Before Tax of ₹1.27 crores and Profit After Tax of ₹0.71 crores respectively.

During the financial year 2016 - 17, your Company acquired 100% securities of Mag+AB, a Sweden based company, which became its direct wholly owned subsidiary. MPS North America acquired 100% securities of MagPlus Inc., a USA based company, which became a step down subsidiary of your Company.

The revenue of Mag+AB for the period from July 01, 2016 to March 31, 2017 was ₹9.56 crores. The loss for the period was ₹0.26 crores. To strengthen the product and market focus which will be driven from India & USA and in order to rationalize these operations, Mag+AB, Sweden, has opted for voluntary dissolution. The Company Registrar at Sweden, on Mag+AB application, appointed a liquidator. The liquidation process is expected to be completed in the next financial year.

## Board Meetings

The Board met four (4) times during the financial year 2016 - 17, to transact the business of the Company. Details of the Board meetings, including the attendance of Directors at these meetings are covered in the Corporate Governance Report forming part of the Annual Report. The maximum interval between any two consecutive Board meetings did not exceed 120 days.

## Audit Committee

Audit Committee of your Company is constituted in accordance with the provisions of Section 177 of the Act and the Listing Regulations. Composition, role, terms of reference, and details of meetings of the Audit Committee are provided in the Corporate Governance Report forming part of the Annual Report.

## Board Evaluation

Pursuant to the provisions of the Act and the corporate

governance requirements as prescribed under Listing Regulations, the Board of Directors carried out an annual performance evaluation of individual Directors, the Board as a whole and its Committees based on the criteria set out by the Nomination and Remuneration Committee. The performance of the Board was evaluated after seeking inputs from individual Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, quality of relationship between the Board and the management, etc.

The Board reviewed the performance of the individual Directors on the basis of criteria such as contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, quality of relationship of the Committee and the management, etc.

In a separate meeting of Independent Directors, performance of Non - Independent Directors, Board as a whole and the Chairman were evaluated, taking into account the views of Executive Directors and Non - Executive Directors. Same was discussed in the Board meeting, at which the performance of the Board, its Committees and individual Directors were also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

## Directors, Key Managerial Personnel, and Employees

There has been no change in the Board of Directors during the year under review.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Rahul Arora, retires by rotation at the ensuing AGM and being eligible, offers himself for re - appointment.

Further, post closure of the financial year 2016 - 17, Mr. Nishith Arora resigned as Whole Time Director of the Company and has been appointed as an Additional Director (Non - Executive) of the Company, both effective from May 15, 2017. As an Additional Director, Mr. Nishith Arora would hold office upto the date of 47th AGM. The Company has received a notice from a Member alongwith deposit of requisite amount under Section 160 of the Act, notifying the directorship of Mr. Nishith Arora at 47th AGM. Your Directors recommend the appointment of Mr. Nishith Arora at the 47th AGM as a Non - Executive Director, liable to retire by rotation. Mr. Nishith Arora has been elected as a Chairman (Non - Executive) of the Board, effective May 15, 2017.

A brief resume, details of expertise and other Directorships/ Committee memberships held by the above Directors, form part of the Notice convening the 47th AGM of the Company.

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

## Secretarial Audit

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s R Sridharan and Associates, Practicing Company Secretaries, carried out the Secretarial Audit of the Company during the financial year 2016 - 17. The Secretarial Audit Report, for the financial year 2016 - 17 prepared by them, is annexed to this Report as **Annexure A**.

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

Secretarial Auditors had also not reported any matter under Section 143(12) of the Act, and therefore no details are required to be disclosed under Section 134 (3)(ca) of the Act.

## Deposits

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

## Loans, Guarantees, and Investment

Pursuant to Section 186 of the Act and Schedule V of the Listing Regulations, disclosure on particulars relating to loans, advances, guarantees and investments are provided in the Financial Statements. All the investments made by the Company were in accordance with the provisions of Section 186 of the Act and the rules made thereunder.

During the financial year under review, your Company has neither obtained any secured term loan nor provided any secured / unsecured loan to other bodies corporate or guarantees / securities with respect to any such loan.

## Utilization of the Proceeds from Qualified Institutional Placement

Your Company had raised a sum of ₹150 crores through "Qualified Institutional Placement" (the "QIP") during the financial year 2014 - 15. The net proceeds of the issue (net of issue expenses) are primarily to augment funds for growth opportunities such as acquisitions and strategic initiatives, for general corporate purposes and any other purposes as may be permissible under applicable law.

During the year, an amount of ₹27.56 crores was utilized by the Company for the acquisitions of Mag+ and THINK. The

remaining net proceeds of ₹120.24 crores from QIP remain invested in interest / dividend bearing liquid instruments, and will be utilized as per the objects of the QIP as and when a suitable opportunity of acquisition materializes.

## Nomination and Remuneration Policy

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed criteria for appointment, performance evaluation and determining remuneration of Directors, Key Managerial and Senior Management Personnel. The Board has also adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel / Senior Management and other employees, which is annexed as **Annexure B** to this Report.

## Particulars of Directors and Employees

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

## Director's Responsibility Statement

Pursuant to Section 134(3)(c) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm the following:

- In the preparation of the Annual Accounts for the financial year ended March 31, 2017, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared these Annual Accounts (Standalone) on a going concern basis;
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Internal Financial Control

The Company has an external and independent firm of Internal Auditors that scrutinizes the financials and other operations of the Company. Based on the framework of internal financial controls and compliance systems, established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016 - 17.

## Risk Management

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Identification of the business risk and their mitigation is a continuing process. Based on the diversified scale of business operations, your Company has formulated a Risk Management Policy to assist the Board in:

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

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

## Related Party Transactions

All related party transactions that were entered into during the financial year 2016 - 17, were on arm's length basis and in the ordinary course of business. The Audit Committee reviews all the related party transactions and approves wherever such approval is required as per the provisions of Section 188 of the Act, rules made thereunder, Regulation 23 of the Listing Regulations, and applicable Accounting Standards. The Company has not, during the year, entered into any related party transaction that may have a potential conflict with that of the Company at large. During the year, the Company has not entered into any material related party transactions, as specified in Section 188(1) of the Act, with any of its related parties. Accordingly, the disclosure of related party transactions as per Section 134(3)(h) of the Act in Form AOC - 2 is not applicable. The details of related party transactions of the Company are disclosed in the Financial Statements of the Company.

Your Company has formulated a Policy on Related Party Transactions which is disseminated on the Company's website [www.adi-mps.com](http://www.adi-mps.com).

## Vigil Mechanism

The Company has adopted a "Whistle Blower Policy" (the "Policy"), through which employees are provided a platform to raise concerns, in line with MPS' commitments to the highest possible standards of ethical, moral, and legal business conduct and its commitment to open communications. Directors and employees can report to the Chairman of the Audit Committee and Company Secretary or Ombudsman, on a confidential basis, any practices or actions believed to be inappropriate or illegal. It is affirmed that no person has been denied access to the Audit Committee. The Policy provides complete confidentiality and safeguard of the employees who raises the whistle against such improper conduct.

Policy has been communicated to all the Directors and employees of the Company through intranet site of the Company.

## Prevention of Sexual Harassment at Workplace

Your Company has a Policy for prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaint Committees has been constituted at all the locations of the Company in India to redress the complaints, if any, received. The details of the complainant are kept confidential. During the year under review, no complaint was received from any employee of the Company involving sexual harassment and thus, no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## Annual Return

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

## Corporate Social Responsibility

MPS has been an early adopter of Corporate Social Responsibility (the "CSR") initiatives. In terms of the provisions of Section 135 of the Act your Company has constituted a CSR Committee. The composition and terms of reference of the CSR Committee are provided in the Corporate Governance Report forming part of this Annual Report. The Company has also formulated a CSR Policy which is available on the website of the Company viz. [www.adi-mps.com](http://www.adi-mps.com).

Your Company has evolved various CSR initiatives which includes imparting primary high - quality education to out - of - school under privileged girls, imparting computer education to underprivileged children, providing tailored made education to students with learning disabilities, building intellect and instill higher values of life in youths through education, building strengths of a person affected

with mental illness and providing support to home/ care - center for mentally retarded and physically handicapped children. Your Company has also devised proper system to monitor the CSR activities as per its CSR Policy.

In terms of the provisions of Section 135 of the Act, and the Companies (Corporate Social Responsibility) Rules, 2014, as amended, the details of the CSR Projects undertaken by the Company during the year are provided in **Annexure E**.

## Corporate Governance

Your Company believes in adopting best practices of corporate governance and adheres to the standards set out by the Securities and Exchange Board of India. Corporate governance is about maximizing shareholder's value legally, ethically and sustainably. Our Board exercises its fiduciary responsibilities in the widest sense of the term. We also endeavor to enhance long - term shareholder value and respect minority rights in all our business decisions.

A detailed report on Corporate Governance, pursuant to the requirements of Regulation 34 of the Listing Regulations, forms part of the Annual Report together with a certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance.

## Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations, is presented in a separate section forming part of the Annual Report.

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

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

### A. Conservation of Energy

The provisions regarding disclosure of particulars with respect to Conservation of Energy are not applicable to the publishing services industry as the operations are

not energy - intensive. However, constant efforts are being made to make the infrastructure more energy - efficient.

### B. Technology Absorption

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

### C. Foreign Exchange Earnings and Outgo

During the year under review, foreign exchange earned through exports was ₹223.36 crores as against ₹223.87 crores for the previous year ended March 31, 2016. Foreign exchange outgo was ₹12.56 crores as against ₹14.82 crores for the previous year. Thus, the net foreign exchange earned by the Company during the year ended March 31, 2017 was ₹210.80 crores. The details of foreign exchange earnings and outgo are provided in the Notes forming part of the Financial Statements of the Company for the year ended March 31, 2017.

## Significant Developments After the Close of the Financial Year

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

## Significant and Material Orders Passed by any Regulators or Court

During the year under review, no significant material order was passed by any regulator or court that would impact the going concern status or future business operations of the Company.

## Appreciation

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners / associates and Central and State Governments for their consistent support and encouragement to the Company. We place on record our appreciation for the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board of Directors

Gurugram  
May 10, 2017

**Nishith Arora**  
Chairman



## Annexure A

SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the  
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 and on the basis of our review, we hereby report that during the year under review, the Company has complied with the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956 to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye - laws framed there under;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment. The Company has not

received any Foreign Direct Investment and obtained any External Commercial Borrowings during the year under review;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) During the year under review the Company has not issued any new securities mandating compliance of the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Company has not formulated any Scheme of ESOP/ESPS and hence the requirement of compliance of the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 does not arise;
  - (e) The Company has not issued any debentures during the period under review, and hence the requirement of compliance of the provisions of The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 does not arise;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) During the year under review, the Company has not delisted its Securities from any of the Stock Exchanges in which it is listed and hence the

compliance of the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 is not applicable; and

- (h) The Company has not bought back any Securities during the period under review, hence the requirement of complying with the provision of The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 does not arise;
- (vi) The Other Laws specifically applicable to the Company are as follows:
1. The Information Technology Act, 2000 and the Rules made thereunder
  2. The Special Economic Zones Act, 2005 and the Rules made thereunder
  3. The Software Technology Parks of India rules and regulations
  4. The Trade Marks Act, 1999
  5. The Patents Act, 1970
  6. The Copyrights Act, 1957

With respect to Labour and Fiscal laws, based on the information & explanations provided by the management and officers of the Company and periodical reports and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance of the above mentioned laws.

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement entered with BSE Limited and the National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**We further report that**

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

Adequate notice is given to all Directors for the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors / Committee Members and no Director / Member dissented on the decisions taken at such Board / Committee Meeting. Further, in the minutes of the General Meeting, the Members who voted against the resolution(s) have been recorded.

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

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

PLACE : CHENNAI  
DATE : 10TH MAY, 2017

FOR R.SRIDHARAN & ASSOCIATES  
COMPANY SECRETARIES

CS R.SRIDHARAN  
CP NO. 3239  
FCS NO. 4775  
UIN : S2003TN063400

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

**'Annexure - 1'**

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

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

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

PLACE : CHENNAI  
DATE : 10TH MAY, 2017

FOR R.SRIDHARAN & ASSOCIATES  
COMPANY SECRETARIES

CS R.SRIDHARAN  
CP NO. 3239  
FCS NO. 4775  
UIN : S2003TN063400

**Annexure B****NOMINATION AND REMUNERATION POLICY****Objective and purpose of the Policy:**

The objective and purpose of this policy are:

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

**Effective Date:**

This policy shall be effective from August 20, 2014.

**Definitions:**

- Independent Director means a Director as defined in Section 149 (6) of the Companies Act, 2013 read with Schedule IV and Clause 49 of the Listing Agreement with the Stock Exchanges and any further amendment or modification made thereto.
- Key Managerial Personnel (KMP) means -
  - (i) Executive Chairman and / or Managing Director;
  - (ii) Whole - Time Director;

(iii) Chief Financial Officer;

(iv) Company Secretary;

(v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.

- Senior Management means personnel of the Company who are Members of its Core Management team excluding Board of Directors comprising all Members of Management one level below the Executive Directors including the functional heads. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**Applicability**

The Policy is applicable to

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

**General**

- This Policy is divided in three parts:

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

Part – B covers the appointment and nomination and

Part – C covers remuneration and perquisites etc.

- The key features of this policy shall be included in the Board's Report.

**PART – A****MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE****The Committee shall:**

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

- Recommend to the Board, their appointment (including terms thereof) and removal of Director, KMP and Senior Management Personnel.

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

## PART – B

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

#### ■ Appointment criteria and qualifications:

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

#### ■ Term / Tenure:

##### 1. Managing Director / Whole - time Director:

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

##### 2. Independent Director:

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

- a. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re - appointment on passing of a special resolution

by the Company and disclosure of such appointment in the Board's Report.

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

#### ■ Evaluation:

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

#### ■ Termination:

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

#### ■ Retirement:

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



## PART – C

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

#### ■ General:

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

#### ■ Remuneration to Whole - time / Executive / Managing Director, KMP and Senior Management Personnel:

##### 1. Fixed pay:

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

##### 2. Minimum Remuneration:

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

approval of the Central Government.

##### 3. Provisions for excess Remuneration:

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

#### ■ Remuneration to Non - Executive Directors:

##### 1. Remuneration / Commission:

The remuneration / commission shall be recommended in accordance with the limits and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

##### 2. Sitting Fees:

- a) The Non - Executive Directors will receive remuneration by way of fees for attending meetings of Board or Committee thereof provided that the amount of such fees shall not exceed the amount as may be prescribed by the Central Government from time to time.
- b) The sitting fee per Meeting, for attending the Board / Committee Meetings of the Company, will be as follows:
  - i) For Board Meeting – ₹80,000 per Meeting
  - ii) For Audit Committee Meeting – ₹80,000 per Meeting
  - iii) For Stakeholders Relationship Committee Meeting – ₹60,000 per Meeting
  - iv) For Corporate Social Responsibility Committee Meeting – ₹60,000 per Meeting
  - v) For Nomination and Remuneration Committee Meeting – ₹60,000 per Meeting

##### 3. Commission:

- a) Commission may be paid as approved by the shareholders, subject to the limit as per the applicable provisions of the Companies Act, 2013.
- b) At the current level of Company's size and operation, the total amount of commission and sitting fees to be paid to the Non - Executive Directors in the aggregate shall be subject to a maximum of ₹80 lacs in any given financial year. This limit may be reviewed by the Committee in April 2016 and thereafter at the beginning of each financial year.

## Annexure C

Details of Remuneration under Section 197 of Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

- (i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016 - 17, percentage increase in remuneration of Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2016 - 17 is as follows:

Sl. No.	Name of Executive Director / KMP	Designation	Percentage increase in Remuneration from previous year	Ratio of Remuneration of each Director to median remuneration of employees <sup>#</sup>
1	Nishith Arora*	Chairman & Whole Time Director	(24%)	22:1
2	Rahul Arora**	CEO & Whole Time Director	54%	62:1
3	Sunit Malhotra	Chief Financial Officer	8%	Not Applicable
4	Hitesh Kumar Jain	DGM - Legal & Company Secretary	7%	Not Applicable

\*Resigned as Whole Time Director and appointed as Non - Executive Director effective from May 15, 2017.

\*\*CEO is being paid remuneration from the US Branch of the Company post his deputation to USA w.e.f. September 18, 2015. There was no increase in the remuneration of CEO during the financial year 2016 - 17. Percentage increase reflected from the previous year is due to revision in the salary with effect from September 18, 2015. The salary level at USA is not comparable to the salary level in India.

<sup>#</sup>For the purpose of ratios, the PLB payable for the respective financial year has been considered in the same financial year. Median Annual Remuneration for the financial year 2016 - 17 was ₹2,43,179/-.

Ms. Yamini Tandon, Non - Executive Director, did not receive any remuneration, including sitting fees from the Company.

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

**(ii) Increase in Median Remuneration:**

During the financial year 2016 - 17, Median Annual Remuneration of employees has been increased by 5% over the previous financial year.

**(iii) Permanent Employees:**

The Company had 2760 permanent employees on its rolls on standalone basis as on March 31, 2017.

- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and exceptional circumstances, if any, for increase in the managerial remuneration:

During the financial year 2016 - 17, average increase in the remuneration of employees was 7%, while the increase in the average managerial remuneration from the previous year was 17% which is mainly due to difference in the total remuneration received during the financial year 2016 - 17 viz - a - viz in the financial year 2015 - 16, as salary of CEO revised during the previous year w.e.f. September 18, 2015.

- (v) The Company affirms that the remuneration to Directors and employees during the financial year 2016 - 17 is as per its Remuneration Policy.

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

1. Statement of Top 10 permanent employees in terms of remuneration drawn during the financial year 2016 - 17:

Employee Name	Designation	Educational Qualification	Experience (Years)	Remuneration <sup>1</sup> (in ₹ lacs)	Previous Employment
Rahul Arora	Chief Executive Officer and Whole Time Director	PGPM	7	132.88	Gallup India
Narendra Kumar V	Chief Technical Officer	BE - Computer Science	26	60.55	Scientific Publishing Solutions
Nishith Arora	Executive Chairman and Whole Time Director	PGDBM	38	53.80	ADI BPO Services Ltd.
Sunit Malhotra	Chief Financial Officer	CA, CS	28	39.60	S. K. Birla Group
Atul Nigam <sup>2</sup>	Senior Vice President	M. Tech	26	39.59	Datamatics Technologies Ltd
Nigel Gary Wyman <sup>3</sup>	Senior Vice President – Operations	MBA	39	35.04	OKS Preprocess Services
Gautam Kumud <sup>4</sup>	Vice President	MBA	15	26.30	EMR Technologies
Hitesh Kumar Jain	DGM - Legal & Company Secretary	CS, LLB	14	25.12	TV18 Broadcast Ltd.
Satya Pal	Vice President – Service Delivery	M Tech	24	24.10	Wolters Kluwer
Harish V Iyer	Vice President	Masters in International Business	28	20.06	Hurix System Pvt Ltd.

Notes: <sup>1</sup> The remuneration details are as per Income Tax Act, except for CEO and Whole Time Director, who is paid (except PLB which was paid in India) from US Branch of the Company and as such not liable to tax in India.

<sup>2</sup> Was in employment till January 30, 2017.

<sup>3</sup> Was in employment till January 17, 2017.

<sup>4</sup> Was in employment till December 15, 2016.

All the above employees are / were permanent employees of the Company and not holding any equity shares of the Company in their respective names.

- During the financial year 2016 - 17, no employee of the Company, other than CEO & Whole Time Director, received remuneration of one crore and two lakh rupees or more per annum while working for the whole year or at the rate of eight lakh and fifty thousand rupees per month while working for a part of the year.
- During the financial year 2016 - 17 or part thereof, no employee of the Company except Narendra Kumar V, CTO (whose remuneration details are mentioned at point B(1) above) received remuneration in excess of the remuneration drawn by Whole - Time Director. During the financial year 2016 - 17 no employee of the Company (by himself or along with his spouse and dependent children), was holding two percent or more of the equity shares of the Company.
- During the financial year 2016 - 17, no employee of the Company, resident in India, posted and working in a country outside India, not being Directors or their relatives, had drawn more than sixty lakh rupees per year or five lakh rupees per month.

For and on behalf of the Board of Directors

Gurugram  
May 10, 2017

**Nishith Arora**  
Chairman

## Annexure D

## Form MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2017

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

## I. REGISTRATION AND OTHER DETAILS:

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products / services	NIC Code of the Product/ service	% to total Turnover of the Company <sup>#</sup>
Content creation, production, transformation, and technology services (Computer Programming and Related Activities and Information Service Activities)	*620 & 631	92.23%

<sup>#</sup>On the basis of gross turnover.

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

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name of Company	Address of Company	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held as on 31/03/2017	Applicable Section
1	ADI BPO Services Limited	B-102, Queens Court, E-Block, Greater Kailash - II, New Delhi - 110 048	U22110DL2006PLC144592	Holding Company	67.77%	2(46)
2	MPS North America, LLC	5750 Major Blvd., Suite 100, Orlando, Florida - 32819, USA	L13000078013	Subsidiary Company	100%	2(87)
3	Mag+AB	Master Samuelsgatan 17, P.O. Box 1432 SE - 111 84 Stockholm, Sweden	556821-6450	Subsidiary Company	100%	2(87)
4	MagPlus Inc.	404 Fifth Avenue, New York, NY, 10018, USA	4993705	Subsidiary Company	100%	2(87)

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

### (i) CATEGORY - WISE SHARE HOLDING

S. No.	Category of Shareholders	No. of shares held at the beginning of the year (as on 01.04.2016)				No. of shares held at the end of the year (as on 31.03.2017)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
(a)	Individual/HUF	-	-	-	-	-	-	-	-	-
(b)	Central Govt.	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	12,616,996	-	12,616,996	67.77	12,616,996	-	12,616,996	67.77	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub - Total (A)(1)	12,616,996	-	12,616,996	67.77	12,616,996	-	12,616,996	67.77	-
(2)	Foreign									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub - Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A)= (A)(1)+(A)(2)	12,616,996	-	12,616,996	67.77	12,616,996	-	12,616,996	67.77	-
B.	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	950,093	-	950,093	5.10	1,071,066	-	1,071,066	5.75	0.65
(b)	Banks / FI	4,328	-	4,328	0.02	3,810	-	3,810	0.02	-0.01
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIs	122,502	-	122,502	0.66	106,621	-	106,621	0.57	-0.09
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(j)	Any Other									
	Foreign Portfolio-Investor (Corporate) Category I	-	-	-	-	124,707	-	124,707	0.67	0.67

S. No.	Category of Shareholders	No. of shares held at the beginning of the year (as on 01.04.2016)				No. of shares held at the end of the year (as on 31.03.2017)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Foreign Portfolio Investors (Corporate) Category II	861,836	-	861,836	4.63	897,500	-	897,500	4.82	0.19
	Foreign Portfolio-Investor (Corporate) Category III	13,828	-	13,828	0.07	-	-	-	-	-0.07
	<b>Sub- Total (B)(1)</b>	<b>1,952,587</b>	<b>-</b>	<b>1,952,587</b>	<b>10.49</b>	<b>2,203,704</b>	<b>-</b>	<b>2,203,704</b>	<b>11.84</b>	<b>1.35</b>
<b>2.</b>	<b>Non-Institutions</b>									
<b>(a)</b>	<b>Bodies Corporate</b>									
(i)	Indian	362,605	-	362,605	1.95	345,922	-	345,922	1.86	-0.09
(ii)	Overseas	-	-	-	-	-	-	-	-	-
<b>(b)</b>	<b>Individuals</b>									
I	Individual share-holders holding nominal share capital up to ₹1 lakh	2,262,443	26,665	2,289,108	12.30	2,020,284	27,035	2,047,319	11.00	-1.30
II	Individual share-holders holding nominal share capital in excess of ₹1 lakh	734,331	-	734,331	3.94	686,734	-	686,734	3.69	-0.26
<b>(c)</b>	<b>Others (specify)</b>									
	Directors and Relatives	9,731	-	9,731	0.05	9,731	-	9,731	0.05	-
	Non - Resident Indians	291,570	-	291,570	1.57	352,997	-	352,997	1.90	0.33
	Hindu Undivided Family	353,142	-	353,142	1.90	317,862	-	317,862	1.71	-0.19
	Foreign National	1,000	-	1,000	0.01	350	-	350	0.01	0.00
	Clearing Members	5,856	-	5,856	0.03	35,311	-	35,311	0.19	0.16
	<b>Sub- Total (B)(2)</b>	<b>4,020,678</b>	<b>26,665</b>	<b>4,047,343</b>	<b>21.74</b>	<b>3,769,191</b>	<b>27,035</b>	<b>3,796,226</b>	<b>20.39</b>	<b>-1.35</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>5,973,265</b>	<b>26,665</b>	<b>5,999,930</b>	<b>32.23</b>	<b>5,972,895</b>	<b>27,035</b>	<b>5,999,930</b>	<b>32.23</b>	<b>0.00</b>
<b>(C)</b>	<b>Shares held by Custodian for GDRs and ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>18,590,261</b>	<b>26,665</b>	<b>18,616,926</b>	<b>100</b>	<b>18,589,891</b>	<b>27,035</b>	<b>18,616,926</b>	<b>100</b>	<b>0.00</b>

**(ii) SHAREHOLDING OF PROMOTERS**

S. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2016)			Shareholding at the end of the year (as on 31.03.2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	ADI BPO Services Limited	12,616,996	67.77	NIL	12,616,996	67.77	NIL	-
	<b>Total</b>	<b>12,616,996</b>	<b>67.77</b>	<b>NIL</b>	<b>12,616,996</b>	<b>67.77</b>	<b>NIL</b>	<b>-</b>



## (iii) CHANGE IN PROMOTERS' SHAREHOLDING

S. No.		Shareholding at the beginning of the year (as on 01.04.2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	12,616,996	67.77	12,616,996	67.77
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
	At the end of the year (as on 31.03.2017)			12,616,996	67.77

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

S. No.	Name of Shareholder	Shareholding at the beginning (01.04.2016)		Change in no. of shares during the year			Cumulative Shareholding during the year / at the end of the year (31.03.2017)	
		No. of shares	% of total shares of the Company	Date	Purchase/ Sale	No. of shares	No. of shares	% of total shares of the Company
1	HDFC Trustee Company Limited - HDFC Prudence Fund / HDFC Trustee Company Ltd - HDFC Tax Saver Fund / HDFC Trustee Company Ltd - HDFC Equity Saving Fund	831,129	4.46					
				05.08.2016	Purchase	50,000	881,129	4.73
				29.07.2016	Purchase	10,000	891,129	4.79
				16.12.2016	Purchase	112,918	1,004,047	5.39
2	Goldman Sachs India Fund Limited	631,739	3.39				1,004,047	5.39
				31.03.2017	Purchase	779	632,518	3.40
							631,739	3.40
3	Ramesh S Damani	150,000	0.81					
							150,000	0.81
4	Goldman Sachs Trust-Goldman Sachs Emerging Markets Equity Fund	106,621	0.57					
							106,621	0.57
5	Long Term India Fund	104,500	0.56					
				12.07.2016	Purchase	4,809	109,309	0.59
				15.07.2016	Purchase	3,360	112,669	0.61
				22.07.2016	Purchase	66	112,735	0.61
				19.12.2016	Sale	-112,735	0	0
6	Dileep Moreshwar Wagle / Dileep Wagle	150,000	0.81				0	0
							150,000	0.81
7	Tata Trustee Company Ltd A/C Tata Mutual Fund A/C Tata Dividend Yield Fund	67,019	0.36					
							67,019	0.36
8	Goldman Sachs Funds, S.I.C.A.V. - Goldman Sachs Global Emerging Markets Equity portfolio	55,613	0.30					
							55,613	0.30
9	Nitin Tandon	51,000	0.27					
				21.10.2016	Sale	-12,600	38,400	0.21
				04.11.2016	Sale	-16,500	21,900	0.12
							21,900	0.12

S. No.	Name of Shareholder	Shareholding at the beginning (01.04.2016)		Change in no. of shares during the year			Cumulative Shareholding during the year / at the end of the year (31.03.2017)	
		No. of shares	% of total shares of the Company	Date	Purchase/ Sale	No. of shares	No. of shares	% of total shares of the Company
10	Government of Singapore – E	0	0					
				10.02.2017	Purchase	8,951	8,951	0.05
				17.02.2017	Purchase	17,815	26,766	0.14
				24.02.2017	Purchase	7,144	33,910	0.18
				03.03.2017	Purchase	5,745	39,655	0.21
				10.03.2017	Purchase	30,386	70,041	0.38
				17.03.2017	Purchase	14,900	84,941	0.46
				24.03.2017	Purchase	19,524	104,465	0.56
				31.03.2017	Purchase	18,507	122,972	0.66
							122,972	0.66
11	Pinebridge India Equity Fund	0	0					
				14.10.2016	Purchase	1,508	1,508	0.01
				21.10.2016	Purchase	5,501	7,009	0.04
				28.10.2016	Purchase	16,521	23,530	0.13
				04.11.2016	Purchase	32,785	56,315	0.30
				11.11.2016	Purchase	21,378	77,693	0.42
				18.11.2016	Purchase	19,672	97,365	0.52
							97,365	0.52

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

S. No.	Name of Director/ KMP	Shareholding at the beginning of the year (as on 01.04.2016)		Change in no. of shares during the year			Cumulative Shareholding during the year / at the end of the year (as on 31.03.2017)	
		No. of shares	% of total shares of the Company	Date	Purchase/ Sale	No. of shares	No. of shares	% of total shares of the Company
A. Directors								
1	Nishith Arora (Chairman and Whole Time Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	D E Udwadia (Independent Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	Vijay Sood (Independent Director)	9,731	0.05	-	-	-	9,731	0.05
4	Ashish Dalal (Independent Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Rahul Arora (Whole Time Director & CEO)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Yamini Tandon (Non-Executive Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
B. Key Managerial Personnel								
1	Sunit Malhotra (Chief Financial Officer)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Hitesh Kumar Jain (DGM- Legal & Company Secretary)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## V. INDEBTEDNESS

The Company has not availed any term loan from any bank / financial institution during the financial year 2016-17.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND / OR MANAGER: (₹ in lacs)

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Nishith Arora* (Chairman & WTD)	Rahul Arora# (WTD & CEO)	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income - Tax Act, 1961	49.00	Refer note below	49.00
	(b) Value of perquisites under Section 17(2) of Income-Tax Act, 1961	4.80	-	4.80
	(c) Profits in lieu of salary under Section 17(3) of Income - Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - Others, specify	-	-	-
5.	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>53.80</b>	<b>-</b>	<b>53.80</b>
	Ceiling as per the Act	₹1,001.66 lacs (being 10% of the net profits of the Company for the year ended March 31, 2017 computed as per Section 198 of the Companies Act, 2013.)		

\*Resigned as Whole Time Director and appointed as Non-Executive Director effective from May 15, 2017. Remuneration to Mr. Nishith Arora includes PLB for the previous year paid during the financial year 2016-17.

\*CEO was not paid any remuneration from the Company post his deputation to the Branch office of the Company at USA. He received a total of ₹132.88 lacs (including PLB for the previous financial year paid in India in the financial year 2016 - 17) as remuneration from the Branch of the Company at USA, which is not subject to income tax at India under the Income Tax Act, 1961.

### B. REMUNERATION TO OTHER DIRECTORS (NON EXECUTIVE INDEPENDENT DIRECTORS) (₹ in lacs)

Sl. No	Particulars of Remuneration	Name of Directors			Total Amount
		D. E. Udawadia	Ashish Dalal	Vijay Sood	
1	Fee for attending Board Committee Meetings	7.60	5.00	8.80	21.40
2	Commission #	20.21	14.14	24.25	58.60
3	Others, please specify	-	-	-	-
	<b>Total (B)</b>	<b>27.81</b>	<b>19.14</b>	<b>33.05</b>	<b>80.00</b>
	Ceiling as per the Act	Ceiling for the commission is ₹100.17 lacs (being 1% of the net profits of the Company for the year ended March 31, 2017 computed as per Section 198 of the Companies Act, 2013.)			
	<b>Total Managerial Remuneration (A+B)</b>	<b>266.88</b>			
	Overall Ceiling as per the Act	₹11,01.83 lacs (being 11% of the net profits of the Company for the year ended March 31, 2017 computed as per Section 198 of the Companies Act, 2013.)			

#Commission pertains to the financial year 2016 - 17, to be paid during the financial year 2017 - 18.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

(₹ in lacs)

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
		Rahul Arora	Hitesh Kumar Jain	Sunit Malhotra	
1	Gross salary	Covered under point VI (A) (in WTD)			
	(a) Salary as per provisions contained in Section 17(1) of the Income - Tax Act, 1961		23.27	39.20	62.47
	(b) Value of perquisites under Section 17(2) of Income - Tax Act, 1961		1.85	0.40	2.25
	(c) Profits in lieu of salary under Section 17(3) of Income - Tax Act, 1961		-	-	-
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission - as % of profit - others, specify		-	-	-
5.	Others, please specify		-	-	-
	<b>Total</b>		25.12	39.60	<b>64.72</b>

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

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

For and on behalf of the Board of Directors

Gurugram  
May 10, 2017

**Nishith Arora**  
Chairman

**Annexure E****ANNUAL REPORT ON CSR ACTIVITIES OF MPS LIMITED  
DURING THE YEAR ENDED MARCH 31, 2017**

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

The CSR Policy of the Company is based on the objective to work for the upliftment of weaker sections of the society by extending its supportive hands. CSR activities of the Company is targeted to transform the lives of underprivileged section of the society by promoting quality education and healthcare. In its CSR Policy, MPS is empowered to undertake all or any of the activities as specified under Schedule VII to the Companies Act, 2013 (the "Act")

The CSR Policy is available at the website of the Company at [www.adi-mps.com](http://www.adi-mps.com).

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

- A. **Girl's Education Project:**

Educating a girl child means making the next generation well educated, full of virtue, free from the superstitions, confident and capable to do something good for the family, society and the country as a whole. In association with IIMPACT, a non-profit making organization, MPS continued its support to "MPS Limited – Girl's Education Project", for imparting primary education to out-of-school under privileged girls, between 6 to 14 years of age, from marginalized communities across India. Under this Project, MPS adopts teaching schools, called "Learning Centers" wherein Company covers the running cost of these Learning Centers, such as teachers and other staff salaries, teacher's training, teaching and learning materials. Girl's education is one of the most effective ways for ending poverty in developing nations. This Project is based on deep realization that education is the only tool with which a girl or a woman can empower herself and eventually her family. Every moment, millions of underprivileged girl children in India are living with the hope that someday someone would reach out to them with love to fulfill their dreams and aspirations. MPS is

aiming to break the cycle of illiteracy that girls from under privileged communities are mired in.

**Teachers Training:**

In an age of swift transformations, education is experiencing a paradigm shift with focus changing from behavioral to cognitive learning, which requires teachers to take up new roles effectively and meet challenges of educational reforms in teacher education. Primary education is the foundation on which the intellectual capital of a country is built. Teacher performance is, therefore, the most crucial input in the field of education. Whatever policies may be laid down, in the ultimate analysis, these have to be interpreted and implemented by the teachers as much through their personal example as through teaching-learning processes. Even the very process of teaching has changed over the years, while education has traditionally been meant to increase the students' comprehension of concepts and theories, it has now become more important to focus on grooming their analytical and application skills. Students must now not only study and understand concepts, but must go a step further and learn to analyze and apply them to practical situations. With this changing situation, it has become important to provide teachers with the necessary training to become more effective in imparting knowledge. As per the quality improvement policy, Teacher Training Programme is being conducted quarterly, to empower teachers and furthering the knowledge of young teachers who teach primary classes in the Learning Centers.

**Objectives of the Teacher Training Program:-**

- i) To build capacity of teachers and project team on teaching techniques and process;
- ii) Accelerated learning process for working with girls in the Learning Center;
- iii) To improve the level of the children at Learning Centre by applying effective teaching methods;
- iv) To enhance communication & Liaison skills among teachers.

**Achievement:**

Through Learning Centers over 3000 non-school going girl children from economically and socially backward families in the rural areas of Uttarakhand, Himachal

Pradesh, Haryana & Rajasthan have been mobilized and motivated. Now the quality Education is provided to them effectively. This will help eradicate poverty and gain human development. It provides a window of opportunity for effective social and economic growth.

The Company's contribution to this Project is in accordance with the requirements of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, and Schedule VII to Act. During the financial year 2016 - 17, the Company contributed an amount of ₹82.16 lacs towards this Project.

#### **B. Imparting Higher Values of Life through Education:**

Education gives wisdom. Morality and spiritualism are the essential components of wisdom. Education is the penance to all evils. Including Higher Values of life in today's education system has become a necessity. Today's youth, if educated with Values of life, will help build a better nation tomorrow. With this objective, the Company, during the previous year, undertook the project of "Imparting Higher Values of Life" in youths through educational programs and lectures in association with Vedanta Cultural Foundation (the "VCF"), a public charitable trust registered under the provisions of the Bombay Public Trust Act, 1950, established in 1976 by renowned philosopher Mr. A. Parthasarathy and continued its support during the financial year 2016-17 too. VCF runs Vedanta Academy in Malavli, near Pune, Maharashtra, India, which is a unique educational institution designed to build the intellect and instill higher values of life. It harnesses the different aspects of the student's personality for self-development through education, yoga, sports, research and welfare activities.

VCF conducts various educational programs (on tuition-free basis) in its Vedanta Academy such as three-year full-time residential courses, youth camps for students as well as corporate seminars and retreats for professionals and businesspersons. The Academy disseminates knowledge through a scientific programme of study and reflection. It encourages a spirit of enquiry based on liberal approach that enables the development of the intellect and not merely providing intelligence on a subject.

With no weekends and vacations, every single day courses through individual study, physical exercise, lectures, campus work, sanskrit lessons, group discussions, audio-visual presentations and community singing. Students from diverse nationalities, cultural and religious backgrounds attend these programs / courses and VCF provides them boarding, lodging, tuition, domiciliary and medical aid free of charge.

The Company's contribution to this Project is in accordance with the requirements of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, and Schedule VII to Act. During the financial year 2016-17, the Company contributed an amount of ₹25 lacs towards this Project.

#### **C. Computer Education to Underprivileged Students :**

Computer education plays an important role in every student's career development. Computer education not only helps the kids to know better about the world but, it is also absolutely essential in helping them to secure better jobs in the long run. There are millions of students in India coming from marginalized sections of society, wants to have a sophisticated career driven education. However, there is severe lack of resources available with schools being run by municipalities and local bodies. These students can't even think of affording what a private school charges. Thus, in this world of competition, the marginalized youth can easily enjoy the same standards of education as the popular private schools, if they have access to computer education. The 'Computer Education' project of the Company is aimed to bridge this gap. For this project the Company associated with Computer Shiksha, a charitable trust, engaged, *inter-alia*, in imparting free computer education to underprivileged students. It is a non-political and non-religious Trust, primarily working towards computer literacy among underprivileged children with the aim to provide computer knowledge and training with passion and commitment, to deliver value in the form of computer trained people, who use this skill for the betterment of their lives in every possible way.

Computer Shiksha is operating through 2 Models out of which MPS is supporting Node 2 of Model I and Model II. Model I, a total delivery package, is based on physical classes in community schools run by municipal authorities / NGO. Model II, started during the financial year 2016 - 17, is based on developing Self Learning Videos of modules in various languages using technology and providing hardware, maintenance support, trainer's training, online live support, and assessment. These videos are run by trainers in community schools through remote centres.

Node 2 of Model I is associated with 3 schools covering over 1000 students in Gurugram. Model II is so far associated with 19 schools in the states of Haryana, Rajasthan, UP and Punjab, covering over 1500 students.

The Company's contribution to this Project is in accordance with the requirements of Section 135 of the



Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, and Schedule VII to Act. During the financial year 2016 - 17, the Company contributed an amount of ₹21.75 lacs towards this Project.

#### D. Mental Health Care:

Mental disorder nowadays has become a major concern all over the world. It is estimated that approximately 10% of Indian population is suffering from one or another form of mental illness. Mental disorder is estimated to be the second largest cause of morbidity and mortality. These patients do not receive proper treatment and care; often they are rejected, excluded or even confined by their own family members. India is woefully under-equipped to handle mental health issue on such a large scale. During the year, the Company associated itself with the project "Mental Health Care" through Sambandh Health Foundation ("Sambandh") engaged in addressing mental illness and promoting mental health of the persons in India. The main objective of Sambandh is to build the capacity of people living with mental illness and their families to lead fuller lives, raising awareness about mental health and mental illness while advocating for improved treatment and community supports.

Sambandh initially initiated such activities from a Community Integrated Center ("CIC") from a government polyclinic in Gurugram. CIC is a day support center designed to help people suffering from mental illness to recover and get back to normal society. CIC is being run successfully from past several years. In the financial year 2016 - 17, Sambandh also started this project in 2 villages in the vicinity of Gurugram with the goal of expanding recovery based supports to semi urban area, wherein community workshops, street plays, educational & awareness sessions, mental illness screening camps etc. are being organized with the objective of generating awareness on mental health, its myths and symptoms and encourage the person suffering with mental illness to gradually adopt the recovery based techniques.

The Company's contribution to this Project is in accordance with the requirements of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, and Schedule VII to Act. During the financial year 2016 - 17, the Company contributed an amount of ₹13.20 lacs towards this Project.

#### E. Support to Care Centers for Physically Challenged Children

During the year, Company associated in the new Project "Care Centers for Physically Challenged Children" through Prem Charitable Trust, a registered charitable trust, engaged, *inter-alia*, to establish homes for mentally retarded and physically handicapped children, providing

opportunities for rehabilitation and use of their limited talents and youth in their respective fields.

The Company's contribution to this Project is in accordance with the requirements of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, and Schedule VII to Act. During the financial year 2016 - 17, the Company contributed an amount of ₹12 lacs towards this Project.

#### F. Remedial Education to Students with Learning Disabilities

During the year, Company also associated with Remedial Education and Centre for Holistic Development ("REACH"), registered under the Societies Registration Act, 1860, engaged, in providing education to students with learning disabilities across all ages, through individually tailored teaching that addresses each child's separate handicap / challenge.

REACH aims to empower special children with knowledge, skills and attitudes that enable them to face personal and professional challenges with confidence. Their teaching program is tailored to help these children go beyond their learning disabilities, complete their education and grow into positive & contributing citizens.

The Company's contribution to this Project is in accordance with the requirements of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, and Schedule VII to Act. During the financial year 2016 - 17, the Company contributed an amount of ₹6.63 lacs for this Project.

#### 2. Composition of Corporate Social Responsibility Committee:

Mr. Nishith Arora, (Chairman)

Mr. Vijay Sood, (Independent Director)

Mr. Rahul Arora, (Whole Time Director & CEO)

#### 3. Average net profit of the Company for last three financial years: ₹8,526.26 lacs.

#### 4. Prescribed CSR Expenditure (2% of the amount mentioned at point 3 above): ₹170.53 lacs.

#### 5. Details of CSR spent during the financial year:

(i) Amount spent during the financial year 2016 - 17: ₹160.75 lacs

(ii) Amount unspent, during the financial year 2016 - 17: ₹9.78 lacs

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

During the year few of the Learning Centers under CSR Project, Girls Education, were replaced with new Learning Centers which resulted in lesser utilisation of allocated funds for this Project.

(iii) Details of the amount spent on CSR activities are detailed below:

Sl. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Imparting quality primary education to young girls between 6 to 14 years of age, from marginalized communities titled as <b>MPS Limited Girls Education Project</b>	Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly and the differently abled and livelihood enhancement projects.	Project is being carried on in local as well as other areas.  Project is being carried on in rural areas in various districts of Uttarakhand, Himachal Pradesh, Haryana & Rajasthan	₹98,500/- per Learning Center per annum.	Direct Expense: ₹82.17 lacs Overheads: Nil	₹82.17 lacs	Through implementing agency: IIMPACT
2	Imparting <b>High Values of Life</b> in youths through educational programs and lectures	Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly and the differently abled and livelihood enhancement projects.	Project is being carried on in local as well as other areas.  Project is being carried on in Maharashtra and other various locations in India.	₹25 lacs	Direct Expense: ₹25 lacs Overheads: Nil	₹25 lacs	Through implementing agency: Vedanta Cultural Foundation
3	Imparting free <b>'Computer Education'</b> to underprivileged students	Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly and the differently abled and livelihood enhancement projects.	Project is being carried on in local as well as other areas.  Project is being carried on in Gurugram, district of Haryana, various districts of Rajasthan, UP and Punjab.	₹22 lacs	Direct Expense: ₹21.75 lacs Overheads: Nil	₹21.75 lacs	Through implementing agency: Computer Shiksha
4	Addressing <b>"Mental Health Care"</b>	Promoting preventive health care.	Project is being carried on in local area.  Project is being carried on in the villages of Gurugram, district of Haryana	₹13.20 lacs	Direct Expense: ₹13.20 lacs Overheads: Nil	₹13.20 lacs	Through implementing agency: Sambandh Health Foundation

Sl. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
5	Supporting Care Centers for Physically Challenged Children	Promoting preventive health care.	Project is being carried on in local area.  Project is being carried on in Chennai, Tamilnadu	₹12 lacs	Direct Expense: ₹12 lacs  Overheads: Nil	₹12 lacs	Through implementing agency: Prem Charitable Trust
6	Remedial Education to Students with Learning Disabilities through tailored made education	Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly and the differently abled and livelihood enhancement projects.	Project is being carried on in Mumbai, Maharashtra	₹8.00 lacs	Direct Expense: ₹6.63 lacs  Overheads: Nil	₹6.63 lacs	Through implementing agency: Remedial Education and Centre for Holistic Development
	<b>TOTAL</b>	-	-	-		160.75	-

#### Responsibility Statement:

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

For MPS Limited

**Nishith Arora**  
(Chairman - CSR Committee)

Date: May 10, 2017

Place: Gurugram

**Rahul Arora**  
Chief Executive Officer

## Annexure F

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

1.	Specific areas in which R&D was carried out by the Company	<ul style="list-style-type: none"> <li>■ Workflow management and tracking solutions</li> <li>■ Review process and leveraging technology to build review systems</li> <li>■ Content delivery systems</li> <li>■ Web application security</li> <li>■ Content management solutions</li> <li>■ Further customization of MPSTrak (workflow management system) for customer-specific requirements</li> <li>■ Ad hoc Reports</li> <li>■ Integration with SAP, RightsLink, FundRef, ORCID, Alfresco, and Documentum</li> <li>■ Front end testing using Protractor</li> <li>■ Angular JS development</li> <li>■ HTML5/CSS based auto composition</li> <li>■ Automated quality checking tools for the composition / PDF output</li> <li>■ Optimization of production process and workflow</li> <li>■ Custom Development and QA projects for customers</li> <li>■ Technology Migration</li> <li>■ The Company continued its effort towards development of the following: <ul style="list-style-type: none"> <li>- Advanced editing and XML generation tools</li> <li>- Advanced graphics automation tools</li> <li>- Advanced server based auto composition systems</li> <li>- Implementation of workflows / processes with more automation</li> </ul> </li> <li>Cloud based systems</li> </ul>
2.	Benefits derived from the above	<ul style="list-style-type: none"> <li>■ Improved competitive positioning</li> <li>■ Consolidation of IT resources</li> <li>■ Optimized bandwidth usage and management</li> <li>■ Improved business continuity at optimized cost</li> <li>■ Data security and protection from external threats</li> <li>■ Improved communication standards and cost efficiency</li> <li>■ Improvement in quality and consistency of service deliveries</li> <li>■ Improved productivity with lean workflow</li> </ul>
3.	Future plan of action	<ul style="list-style-type: none"> <li>■ Enhancing DigiCore platform as per project roadmap</li> <li>■ HTML5-based composition system with automated quality tools</li> <li>■ Further leverage of HTML5 for providing enhanced experience and powering interactive products</li> <li>■ Migration to AngularJS</li> <li>■ Mobile application development</li> <li>■ Migration of more systems to cloud with increased scalability and availability</li> <li>■ Further improvement in business continuity and disaster recovery plan</li> <li>■ Centralization of key processes for cost efficiency</li> <li>■ Improved process automation resulting in increased productivity</li> </ul>
4.	Expenditure on R & D result	Expenses on R&D in the development of Mobile App and new technology, which will help in processing of large data.

## Annexure F

## Technology Absorption, Adaptation and Innovation

1.	Efforts in brief made towards technology absorption, adaptation, and innovation.	<ul style="list-style-type: none"> <li>■ Development and implementation of innovative cloud-based systems for end-to-end publishing services</li> <li>■ Adoption of PCI-DSS standards of security</li> <li>■ Implementation of ITIL process frame work and IS 27001</li> <li>■ Implementation of application security processes</li> </ul>
2.	Benefits derived from the above	<ul style="list-style-type: none"> <li>■ Tangible benefits to clients in terms of reducing time to publish and increasing productivity</li> <li>■ More secured and scalable products</li> <li>■ Improved customer interests and associated service / technology requests from various customers</li> <li>■ Standardization of measurement techniques and information flows</li> <li>■ Ability to produce and deliver larger value at existing resource level</li> </ul>
3.	Imported Technology	<ul style="list-style-type: none"> <li>■ No technologies were imported</li> </ul>

For and on behalf of the Board of Directors

Gurugram  
May 10, 2017

**Nishith Arora**  
*Chairman*

# Corporate Governance Report

## MPS PHILOSOPHY ON CODE OF GOVERNANCE

Good Corporate Governance is the set of best processes, customs, policies, laws and practices which an organisation follows in its operations and dealings, aiming towards ensuring transparency, accountability, and creating long term value for the stakeholders. MPS Limited ("MPS" or "Company") has been over the years following best practices of Corporate Governance. These practices are continuously been reviewed and strengthened. We believe that the essence of good Corporate Governance lies in maintaining integrity, honesty, upholding the core values of transparency and fixing accountability in our day-to-day functioning, which works as a key driver of sustainable corporate growth and long-term shareholder's value creation. MPS has put in place robust internal control systems and audit processes which are subjected to regular assessments for its effectiveness. MPS' commitment to ethical and lawful business conduct, as defined in its Code of Business Conduct, is a basic shared value of the Board of Directors, Management and employees. This reinforces integrity of Management and fairness in Company's dealing with its stakeholders. MPS maintains the highest level of transparent and fair disclosures which help it earns the trust of its investors and business partners. MPS adopts and adheres to the best recognized corporate governance practices and continuously strives to better them.

## BOARD OF DIRECTORS

Shareholders of the Company appoints the Board of Directors (the "Board"), which in turn is entrusted with the

ultimate responsibility of management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties. The Board critically reviews and evaluates corporate strategies, business plans, governance practices, annual budgets, operational performance, financial results, transactions with related parties, risk assessment and mitigation plans, status of applicable legal compliances, etc. Company places all statutory and other significant and material information before the Board in order to enable it to discharge its duties and responsibility efficiently.

### Composition

The Board of the Company, as on March 31, 2017, consists of six Directors with an optimum combination of Executive and Non-Executive Directors in accordance with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"). The Board has two Executive Directors, including Executive Chairman and four Non-Executive Directors, of whom three are Independent Directors and one Woman Director. All Independent Directors are eminent professionals bringing wide range of experience in business, finance and law. None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 (five) Committees across all companies in which he/she is a Director.

The composition of the Board, outside Directorships and Memberships or Chairmanships of Board Committees as on March 31, 2017 is given below:

Director's Name	Category	No. of Directorships and Committee Memberships in other Indian Companies (Excluding MPS) <sup>1</sup>			
		Directorships		Committee Memberships	
		As Chairman	As Member	As Chairman	As Member
Mr. Nishith Arora <sup>2</sup> DIN: 00227593	Executive Chairman	Nil	1	Nil	Nil
Mr. D E Udwadia DIN: 00009755	Independent	Nil	4	1	4
Mr. Ashish Dalal DIN: 00024632	Independent	Nil	Nil	Nil	Nil
Mr. Vijay Sood DIN: 01473455	Independent	Nil	Nil	Nil	Nil
Mr. Rahul Arora DIN: 05353333	Whole Time Director & CEO	Nil	1	Nil	Nil
Ms. Yamini Tandon DIN: 06937633	Non-Executive	Nil	Nil	Nil	Nil

<sup>1</sup> As per Regulation 26 of Listing Regulations:

- excludes directorships in foreign companies, companies registered under Section 8 of the Companies Act, 2013, private limited companies and alternate directorships.
- includes Membership(s) / Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies.

<sup>2</sup> Resigned as Whole Time Director and appointed as Non-Executive Director effective from May 15, 2017.



Mr. Nishith Arora is father of Mr. Rahul Arora and father-in-law of Ms. Yamini Tandon. Mr. Rahul Arora is husband of Ms. Yamini Tandon.

### Independent Directors

Appointment of all the Independent Directors is in conformity with the requirements of Schedule IV to the Companies Act, 2013 (the "Act") and Regulation 17 of the Listing Regulations. All the Independent Directors have confirmed that they are in compliance with the provisions specified under Regulation 16(b) and 25 of the Listing Regulations and Section 149 of the Act. None of the Independent Directors is related to the promoter or other Directors of the Company.

Terms and conditions of the appointment of Independent Directors have been disseminated on the website of the Company at <http://www.adi-mps.com/Policies/Terms-and-Conditions-of-Independent-Directors.pdf>.

### Meeting of Independent Directors

During the financial year 2016 - 17, Independent Directors met once separately without the presence of Executive / Non Independent Directors and members of Management and evaluated:

1. the performance of Non Independent Directors and the Board of Directors as a whole.
2. the performance of the Chairman, taking into account the views of Executive and Non-Executive Directors.
3. the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Views of the Independent Directors are communicated to the Board.

### Familiarization Programme for Independent Directors

Independent Directors are, time to time, updated about the Company's policies and, roles and responsibilities of Directors. Executive Management, through presentations at Board and Committee Meetings, provides them regular updates on the Company and its subsidiaries' financial and business performance, operational highlights, business risks and their mitigation plans, new offerings, major clients, material litigations, regulatory compliance status, forex exposures, relevant changes in statutory regulations.

Details of such familiarization programmes are posted on the website of the Company at <http://www.adi-mps.com/Policies/MPs-Familiarization-Programme.pdf>.

### Board Meetings and its Procedures

The Board meets at least four times a year. Additional meetings are convened as and when required to address the specific business requirement. In case of urgent requirements, resolutions are passed by circulations to Board Members. The circular resolutions are noted in the next Board Meeting. Tentative annual calendar of the Board Meetings are fixed in advance after discussion with all Board

Members. Agenda Papers are sent to Board Members at least seven days in advance along with all the relevant information and supporting documents. Unpublished Price Sensitive Information alongwith relevant documents are provided at least 48 hours before the meeting. Business division heads are advised well in advance to communicate to the Company Secretary or Chief Financial Officer on the business matters requiring Board approval. Inputs, guidance and feedback of the Chairman and Chief Executive Officer are taken in selection of agenda items. In case it is not feasible for any of the Director to attend the Board Meeting physically, on their confirmation, audio-video conferencing facilities are provided to attend the meeting and the applicable procedures specified under Section 173(2) of the Act read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 relating to meetings of Board through video conferencing or other audio visual means are followed and complied with.

### Information provided to the Board

The Board has complete access to all the information of the Company. Minimum information provided to the Board, *inter-alia*, includes the following:

- Annual operating plans and budgets including Capital budgets;
- Quarterly Unaudited and Annual Audited, standalone and consolidated, financial results;
- Minutes of the meetings of the audit committee and other committees of the Board;
- Appointment and resignation of senior officers including Chief Financial Officer and Company Secretary;
- Appointment and resignations of Directors and their remunerations;
- Related party transactions of material nature;
- Disclosures of Directors' interest;
- Details of material litigations, including any show cause and penalty notices of material nature;
- Compliance reports on the applicable law and regulations;
- Acquisition opportunities including details of payment towards assets and goodwill;
- Sale of investments, subsidiaries and assets which are material in nature and not in the ordinary course of business;
- Details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material.
- Details of Investors' complaints and their redressal;

Chief Financial Officer, Company Secretary and Finance Controller attend all the Board meetings. Company Secretary provides assistance to the Chairman in conducting Board Meetings and also advises the Board on compliance and governance matters. Chief Financial Officer and Finance Controller assist the Board on financial results, budgets and related matters.

### Post Board Meetings

Post Board meeting, decisions taken at the meetings are communicated to the concerned business units. Thereafter a proper follow up system is followed to review and report on actions taken by the Management on the decisions of the Board.

### Circulation of Minutes

Company Secretary, as per requirements of the Secretarial Standards, records the minutes of the proceedings of the meetings and circulate them to all the Directors within 15 days from the conclusion of the meeting for their review and

comments. Minutes are thereafter recorded in the Minutes Book within 30 days from the date of conclusion of the meeting. Certified copies of the signed minutes are provided to the Board Members.

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

During the financial year 2016 - 17, the Board met four times on May 17, 2016, July 19, 2016, October 25, 2016 and January 25, 2017. The maximum time gap between the two consecutive Board Meetings never exceeded 120 days.

Directors	Mr. Nishith Arora	Mr. D. E. Udawadia	Mr. Ashish Dalal	Mr. Vijay Sood	Mr. Rahul Arora	Ms. Yamini Tandon
No. of Meetings held	4	4	4	4	4	4
No. of Meetings Attended	4	4	4	4	4	2
Attended last AGM held on July 19, 2016	Yes	Yes	Yes	Yes	Yes	Yes

### DIRECTORS' INTEREST IN THE COMPANY

Shareholding of Directors as on March 31, 2017:

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

### BOARD COMMITTEES

The Board has constituted various Committees to deal with specific business areas. These Committees play an important role in the governance process. All these Committees have been formed with proper Board authority defining their composition, quorum requirements and the roles / functions. These Committees decide or provide recommendations to Board on the matters referred to them. All the process and governance guidelines applicable and followed by the Board are also applicable and followed by the Committees. Minutes of all these Committee Meetings are noted in the next Board Meeting.

#### 1. AUDIT COMMITTEE

##### Composition, Meetings and Attendance

Composition of the Audit Committee confirms the requirements of the Act and the Listing Regulations. All the members of the Audit Committee are financially literate and Mr. Vijay Sood, Chairman, has expertise in accounting and financial management.

During the financial year 2016 - 17, the Audit Committee met four times on May 16, 2016, July 19, 2016, October 24, 2016 and January 24, 2017. Maximum time gap between any two consecutive meetings never exceed one hundred and twenty days.

The composition and the attendance of members at the Audit Committee meetings held during the financial year 2016-17, are given below:

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

Chief Financial Officer and the Finance Controller are permanent invitees to the Audit Committee meetings. Chief Executive Officer also remain present in the Audit Committee meetings. The Company Secretary acts as the Secretary to Audit Committee. Representatives of Statutory Auditors and Internal Auditors have attended all the Audit Committee meetings held during the financial year 2016 - 17. As and

when required, other senior management personnel of the Company are invited to the Audit Committee meetings.

##### Role / Terms of Reference

Terms of reference of the Audit Committee, as per the Act and Listing Regulations, includes the following:

- Examination and overseeing of Company's financial

reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;

- Reviewing, with the management, the annual and quarterly financial statements and auditor's report thereon before submission to the Board for approval;
- Recommending to the Board, the appointment, remuneration and terms of appointment of the statutory and internal auditors of the Company;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of the audit process;
- Approving of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing the application of funds raised through public issue, rights issue, preferential issue, etc. and related matters;
- Approving or any subsequent modification of transactions of the Company with related parties;
- Scrutinizing inter-corporate loans and investments;
- Approving the valuation of undertakings or assets of the Company, whenever it is necessary;
- Reviewing the Internal Audit Report;
- Reviewing and evaluating internal financial controls, adequacy of the internal control and risk management systems;
- Discussion with internal auditors of any significant findings and follow up thereon;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing the functioning of the Whistle Blower Mechanism;
- Looking into reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
- Approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.

The Audit Committee is also empowered, pursuant to its terms of reference, inter alia:

- to investigate any activity within its terms of reference;
- to seek any information from any employee;
- to obtain outside legal or other independent professional advice; and
- to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The Audit Committee provides assurance related to

the adequacy of internal control systems and financial disclosures to the Board.

## 2. NOMINATION AND REMUNERATION COMMITTEE

### Composition, Committee Meetings, and Attendance

Composition of the Nomination and Remuneration Committee, given hereunder, confirms to the requirements of the Act and the Listing Regulations. During the financial year 2016-17, the Nomination and Remuneration Committee met on May 17, 2016. All the members of the Nomination and Remuneration Committee attended this meeting.

Members	Position and Category
Mr. D. E. Udwardia	Chairman-Non-Executive Independent Director
Mr. Vijay Sood	Member-Non-Executive Independent Director
Mr. Ashish Dalal	Member-Non-Executive Independent Director
Mr. Nishith Arora	Member-Executive Director

### Role / Terms of Reference

Role of the Nomination and Remuneration Committee, as per the requirements of the Act and the Listing regulations, includes the following:

- Formation of criteria for determining qualification, positive attributes, and independence of Directors;
- Recommendation of the remuneration policy for the Directors, Key Managerial Personnel, and other senior management personnel to the Board;
- Formulation of criteria for evaluation of Directors, the Board, and the Committee thereof;
- Devising policy on Board diversity;
- Recommendation of remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria and commissions to Non-Executive Independent Directors;
- Identifying persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel in accordance with the criteria laid down and recommending to the Board their appointment, removal, and other terms as may be referred by the Board from time to time.

### Nomination and Remuneration Policy

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

Remuneration to the Non-Executive Independent Directors

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

Nomination and Remuneration Policy of the Company has been approved by the Board on the recommendation of the Nomination and Remuneration Committee, which is aimed at:

- identifying persons who are qualified to become Directors and persons who may be appointed at senior management and Key Managerial positions;
- attracting talented managerial persons taking into account the talent market, the remuneration trend, and the competitive requirement of its business;
- retaining high-caliber talent; and
- determining remuneration of Directors, Senior

Management, and Key Managerial Personnel.

#### Directors' Performance Evaluation Policy

The Nomination and Remuneration Committee has laid down the process and mechanism for evaluating the performance of the Board, Committees, individual Directors and Chairman of the Board. The Board has carried out annual performance evaluation of Board, Independent Directors, Non-Executive Director, Executive Director, Committees and Chairman of the Board. Such evaluation was carried out as per Director's Performance Evaluation Policy.

#### Directors' Remuneration during the Financial Year 2016-17

Independent Directors are paid remuneration by way of sitting fees for attending each meeting and commission. Remuneration to Executive Directors is paid based on the recommendation of the Nomination and Remuneration Committee as approved by the Board and shareholders. The Company does not have any stock option scheme.

Directors	Mr. Nishith Arora <sup>1</sup>	Mr. D. E. Udwadia <sup>2</sup>	Mr. Ashish Dalal	Mr. Vijay Sood	Mr. Rahul Arora	Ms. Yamini Tandon
Business Relationship with the Company, if any	Promoter & Director of holding company, ADI BPO Services Limited <sup>3</sup>	Nil	Nil	Nil	Director of holding company, ADI BPO Services Limited <sup>3</sup>	Nil
Remuneration during the year ended March 31, 2017 (₹ in lacs)						
Sitting Fees	Nil	7.60	5.00	8.80	Nil	Nil
Salary and Perks	53.34	Nil	Nil	Nil	161.60	Nil
Commission <sup>5</sup>	Nil	20.21	14.14	24.25	Nil	Nil
Total	53.34 <sup>4</sup>	27.81	19.14	33.05	161.60 <sup>4</sup>	Nil
Severance / Notice Period	90 days or as otherwise decided by the Board	-	-	-	3 months or as otherwise decided by the Board, while working in India and any time while working from USA	-

<sup>1</sup> Resigned as Whole Time Director and appointed as Non-Executive Director effective from May 15, 2017.

<sup>2</sup> During the year ended March 31, 2017, the Company paid ₹1.86 lacs to the law firm M/s Udwadia & Co. as fees for professional services (legal advice) obtained by the Company. Mr. D. E. Udwadia is a founder partner of this firm. The Board does not consider the firm's association with the Company to be of a material nature so as to affect the independence of judgment of Mr. Udwadia as a Director of the Company.

<sup>3</sup> During the year ended March 31, 2017, the Company paid ₹334.44 lacs to ADI BPO Services Limited (ADI BPO), the promoter company, wherein Mr. Nishith Arora and Mr. Rahul Arora are the Directors. The above amount represents the rent paid for Dehradun facility taken on lease and the charges for infrastructure services provided by ADI BPO.

<sup>4</sup> Remuneration to Executive Directors shown here, are on accrual basis and does not include PLB of the previous financial year paid during the financial year 2016-17. Remuneration to Mr. Rahul Arora, paid from US Branch of the Company, includes PLB at 100% provided in accounts for the financial year 2016-17 as per Mr. Rahul Arora's contract with the Company. PLB payout is considered based on the criteria laid down by the Nomination and Remuneration Committee on revenue growth (in USD), profitability, service delivery & quality, and innovation. The actual PLB has been recommended by the Nomination and Remuneration Committee and approved by the Board at 93% of the amount as per his contract. This will be paid during the financial year 2017-18. Gratuity and Leave Salary are not included in the remuneration to Executive Directors, as these have been accrued on the basis of actuarial valuation for the Company as a whole.

<sup>5</sup> Commission for the financial year 2016-17 will be paid, subject to deduction of tax, during the financial year 2017-18, after adoption of the Annual Audited Financials for the financial year 2016-17 by the shareholders at the Annual General Meeting.

Apart from the above there was no other pecuniary relationship or transaction between the Non-Executive Directors and the Company.

### 3. STAKEHOLDERS RELATIONSHIP COMMITTEE

#### Composition, Committee Meeting, and Attendance

Composition of the Stakeholders Relationship Committee, given hereunder, is in compliance with the Listing Regulations. During the financial year 2016-17, the Stakeholders Relationship Committee met once on January 25, 2017. All the members have attended this meeting.

Members	Position and Category
Mr. Ashish Dalal	Chairman-Non-Executive Independent Director
Mr. Nishith Arora	Member-Executive Director

#### Role / Terms of Reference

The Committee primarily looks into dematerialization / rematerialization of shares, redressal of shareholders' complaints pertaining to transfer / transmission of shares, non-receipt of Annual Report, non-receipt of declared dividend, issue of duplicate shares and other related matters.

#### Compliance Officer

Mr. Hitesh Kumar Jain, DGM – Legal and Company Secretary, is the Compliance Officer for ensuring compliance with the regulatory requirements of Securities Laws and Listing Regulations.

Compliance Officer may be reached at the following address:  
C-35, Sector-62, Noida – 201 307,  
Uttar Pradesh

Phone: 0120-4599754;

E-mail: investors@adi-mps.com

#### Stakeholders' Grievance Redressal

Legal and Secretarial Department and the Registrar &

Share Transfer Agents attend to all grievances received from the shareholders either directly or through SEBI, Stock Exchanges and Registrar of Companies. Efforts are made to ensure that all the grievances of the shareholders are redressed expeditiously and satisfactorily. Details of the complaints received from the shareholders and redressed upto their satisfaction during the financial year 2016-17 are as follows:

No. of complaints pending at the beginning of the financial year i.e. April 1, 2016	NIL
No. of complaints received during the financial year	3*
No. of complaints resolved during the financial year	3*
Complaints pending at the end of the financial year i.e. March 31, 2017	NIL

\*Two complaints were not related to the Company.

A separate e-mail ID, [investors@adi-mps.com](mailto:investors@adi-mps.com), has been designated by the Company for the shareholders to lodge their complaints / queries.

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

### 4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

#### Composition, Committee Meeting, and Attendance

Composition of Corporate Social Responsibility ("CSR") Committee confirms to the requirements of Section 135 of the Act. During the financial year 2016 - 17, two meetings of the CSR Committee were held on July 19, 2016 and March 14, 2017.

The composition and the attendance of members at the CSR Committee meetings held during the financial year 2016-17, are given below:

Members	Position and Category	No. of Meetings held	No. of Meetings Attended
Mr. Nishith Arora	Chairman-Executive Director	2	2
Mr. Vijay Sood	Member - Non-Executive Independent Director	2	2
Mr. Rahul Arora	Member - Executive Director	2	1

#### Role / Terms of Reference

The CSR Committee recommends, and monitors the implementation of, CSR projects of the Company.

Terms of Reference of the CSR Committee, as per the provisions of the Act, includes the following:

- Formulate and recommend to the Board, a Corporate Social Responsibility policy which shall indicate the activities to be undertaken by the Company under its

Corporate Social Responsibility program as detailed in Schedule VII to the Act.

- Recommend the amount of expenditure to be incurred on the CSR activities.
- Formulate the implementation schedule of specific project / activity.
- Establish mechanism for measuring the effectiveness of the Corporate Social Responsibility policy.

## 5. OTHER NON – STATUTORY COMMITTEES

The Company has also constituted an Investment Committee, which assesses and analyses the Company's investment's proposals and provides its recommendations to the Board.

### SUBSIDIARY COMPANY

The Company does not have any material subsidiary. During the financial year 2016 - 17, two more companies became wholly owned subsidiaries of the Company, Mag+AB, a Sweden based company, acquired directly and MagPlus Inc. a USA based company, acquired by existing wholly owned subsidiary in USA, MPS North America LLC. The Company does not have any subsidiary in India. All significant transactions and arrangements of the subsidiaries are reviewed by the Audit Committee and also reported to the Board. Audit Committee also reviews the financial statements of, and investments made by, the subsidiaries.

### CODE OF CONDUCT

The Board has adopted a Code of Conduct (the “Code”) for its business and operations. The Code is applicable on the Director's and senior management personnel of the Company. It also enumerates the duties and responsibilities of Independent Directors. The Code requires the Directors and employees of the Company to act honestly, ethically

and with integrity. The Code has also been uploaded on the website of the Company at <http://www.adi-mps.com/Policies/MPS-Code-of-Conduct.pdf>.

The compliance of the Code is to be affirmed annually by the Directors and senior management personnel. All the Board Members and senior management personnel to whom the Code is applicable have affirmed the compliance with the Code as on March 31, 2017.

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

“The Company had laid down a “Code of Conduct” (the “Code”) to be followed by all the Board Members and senior management personnel. The Code is uploaded on the website of the Company.

It is hereby certified that all the members of the Board and senior management personnel have confirmed the compliance with the Code during the financial year 2016-17 and there has been no instances of violation of the Code.”

**Rahul Arora**  
Chief Executive Officer  
May 10, 2017

## GENERAL BODY MEETINGS

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

Year	Day, Date and Time of Meeting	Venue	Special Resolutions Passed
2013-14	Friday, August 8, 2014 Time: 10:30 A.M.	Hotel My Fortune Chennai, 10 Cathedral Road, Chennai – 600086, Tamilnadu	<ul style="list-style-type: none"> <li>■ Appointment of Ms. Yamini Tandon to an office or place of profit under Section 188 of the Companies Act, 2013 (Section 314 of the Companies Act, 1956) as Vice President- Service Delivery.</li> <li>■ Amendment of Article 161 of the Articles of Association of the Company as per Section 14 of the Companies Act, 2013.</li> </ul>
2014-15	Monday, July 20, 2015 Time: 02:30 P.M.	Raintree Hotels, 636 Anna Salai, Teynampet, Chennai – 600035, Tamil Nadu	<ul style="list-style-type: none"> <li>■ Appointment of Ms. Yamini Tandon to the office or place of profit in the Company's wholly owned subsidiary in U.S.A.</li> <li>■ Approval of borrowing powers of the Company exceeding the aggregate of the paid-up share capital and free reserves up to ₹150 crores.</li> </ul>
2015-16	Tuesday, July 19, 2016 Time: 03:00 P.M.	Raintree Hotels, 636 Anna Salai, Teynampet, Chennai – 600035, Tamilnadu	<ul style="list-style-type: none"> <li>■ Approval for payment of commission to Non-Executive Directors for a period of five years.</li> </ul>

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

As per Section 108 of the Act read with rules made thereunder, Regulation 44 of the Listing Regulations, e-voting facility was provided to the Shareholders of the Company for

electronically voting on the resolutions passed at the Annual General Meeting held on July 19, 2016.

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



## GENERAL SHAREHOLDERS INFORMATION

### a. Annual General Meeting

Day, Date and Time : Wednesday, July 19, 2017 at 3:00 P.M

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

Date of Book closure : July 17, 2017 (Monday) to July 19, 2017 (Wednesday) (both days inclusive).

### b. Financial Calendar (Tentative)

Financial Year : April 1 to March 31

Tentative Calendar for declaration of results for the financial year 2017-18 is given below:

Results for the Quarter / Year ending	Date of Declaration
June 30, 2017	On or before August 14, 2017
September 30, 2017	On or before November 14, 2017
December 31, 2017	On or before February 14, 2018
March 31, 2018 (Annual Audited)	On or before May 30, 2018

### c. Dividend

During the financial year 2016-17, Board of Directors did not declare / recommend any dividend.

## LISTING ON STOCK EXCHANGES AND STOCK CODE

Equity Shares of the Company are listed and traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

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

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

The Company has paid the annual listing fees to the Stock Exchanges, for the financial year 2017-18.

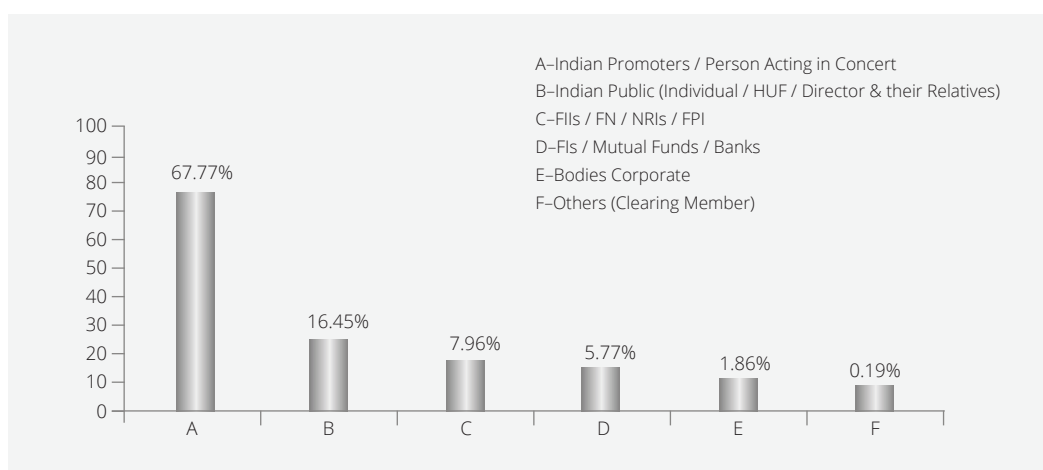
## SHAREHOLDING PATTERN

Distribution of Shareholding as on March 31, 2017:

Category of Shareholdings From – To	No. of Shareholders	% of Total Shareholders	Total Shares	Amount (₹)	% of Total Amount
1-5000	9,359	83.33	827,459	8,274,590	4.44
5001-10000	537	5.13	408,140	4,081,400	2.19
10001-20000	271	2.59	405,868	4,058,680	2.18
20001-30000	100	0.95	253,711	2,537,110	1.36
30001-40000	59	0.56	213,712	2,137,120	1.15
40001-50000	29	0.28	133,774	1,337,740	0.72
50001-100000	66	0.63	488,408	4,884,080	2.62
100001-and Above	54	0.53	15,885,854	158,858,540	85.33
Total	10,475	100.00	1,8616,926	186,169,260	100.00

**Category of Shareholding as on March 31, 2017:**

S. No.	Category	No. of Shares	%
1	Indian Promoters / Person Acting in Concert	12,616,996	67.77
2	Indian Public (Individual / HUF / Director & their Relatives)	3,061,646	16.45
3	FIs / FN / NRIs / FPI	1,482,175	7.96
4	FIs / Mutual Funds / Banks	1,074,876	5.77
5	Bodies Corporate	345,922	1.86
6	Others (Clearing Member)	35,311	0.19
	<b>Total</b>	<b>18,616,926</b>	<b>100.00</b>



- The Company has not issued any ADRs / GDRs and hence there are no outstanding ADRs / GDRs as on March 31, 2017.
- The Company has not issued any convertible warrants and hence there are no outstanding convertible warrants as on March 31, 2017.

**Stock Market Data**
**National Stock Exchange of India Limited (NSE)**

Month	High (₹)	Low (₹)	Close (₹)	Volume
April 2016	714.00	660.00	679.30	87,116
May 2016	788.00	640.00	660.15	435,449
June 2016	745.70	646.75	714.90	177,792
July 2016	799.00	671.50	676.05	258,740
August 2016	717.00	642.00	646.35	98,293
September 2016	684.90	626.10	636.00	80,509
October 2016	716.00	636.20	702.20	203,045
November 2016	708.00	620.00	657.75	173,441
December 2016	714.75	638.00	675.10	184,087
January 2017	773.75	660.00	664.75	192,415
February 2017	717.85	651.00	681.05	127,395
March 2017	694.70	668.00	688.70	187,875

[Source: www.nseindia.com]

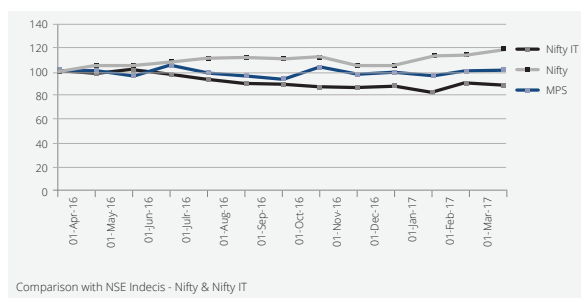
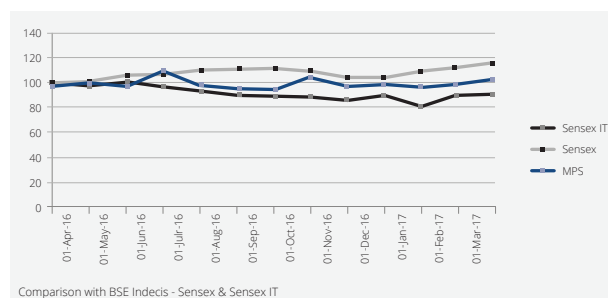
## BSE Limited (BSE)

Month	High (₹)	Low (₹)	Close (₹)	Volume
April 2016	710.75	660.00	680.75	17,424
May 2016	785.00	641.25	658.40	71,871
June 2016	744.00	649.80	711.75	31,050
July 2016	800.00	670.00	675.00	53,989
August 2016	719.90	635.50	646.00	72,574
September 2016	680.00	615.00	641.00	23,265
October 2016	715.00	632.00	700.40	38,745
November 2016	700.95	620.00	653.00	23,754
December 2016	712.00	643.25	672.05	64,990
January 2017	775.00	652.00	657.55	43,788
February 2017	710.00	652.00	678.45	16,727
March 2017	693.75	666.05	685.10	35,079

[Source: www.bseindia.com]

## Company's share performance in comparison to indices

Indexed to 100 as on April 1, 2016



## Per Share Data

Year	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Net Earnings (₹ in Lacs)	6,950.17	7,052.54	5,870.12	4,344.44	3,189.02
EPS (₹)	37.33	37.88	34.76	25.82	18.96
Dividend per Share (₹)	-	22.00	22.00	17.00	10.00
Dividend Payout (%)	-	69.90	74.62	77.01	61.30
Book Value per Share (₹)	184.98	147.64	136.24	55.06	49.12
Price to Earnings	18.44	17.44	27.10	14.08	6.62
Price to Book Value	3.72	4.47	6.91	6.60	2.56

### Dematerialization of Shares and Liquidity

The shares of the Company are compulsorily traded in demat form and are available for trading under both the Depository Systems in India – National Securities Depository Limited (the “NSDL”) and Central Depository Services (India) Limited (the “CDSL”). As on March 31, 2017, a total of **18,589,891** shares of the Company, constituting 99.85% of the total Share Capital, were in demat form. Details of the Demat and Physical Shareholding of the Company are as under:

	No. of shares	Percentage (%)
At National Securities Depository Limited	17,531,742	94.17
At Central Depository Services (India) Limited	1,058,149	5.68
In Physical Form	27,035	0.15
<b>Total Paid-up Share Capital</b>	<b>18,616,926</b>	<b>100</b>

### Shareholder's Information

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

### Shares Transfer System

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

During the financial year 2016-17, two requests for rematting 1030 shares of the Company were received from the shareholders.

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

### SHARE CAPITAL RECONCILIATION AUDIT

Share Capital Reconciliation Audit as per Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, is being carried out by an independent practicing Company Secretary, on a quarterly basis to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital. The Share Capital Reconciliation Audit reports confirm that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of shares in

dematerialized mode held with NSDL and CDSL. These reports are filed with Stock Exchanges on quarterly basis.

### DISCLOSURES AND AFFIRMATION

#### (i) Compliances

The Company has complied with all the applicable provisions of Listing Regulations, other guidelines / regulations issued by the Securities and Exchange Board of India (SEBI) and applicable provisions of other statutes.

The Company has complied with all the mandatory requirements as per the provisions of Regulation 34, 53 and Schedule V of the Listing Regulations.

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

#### (ii) Related Party Transactions

All transactions of the Company with related parties, as defined in the Act and the Listing Regulations, during the year ended March 31, 2017, were made in the ordinary course of business and were on an arm's length basis. There was no material related party transactions of the Company, which may have a potential conflict with the interest of the Company at large. The details of transactions with related parties have been disclosed in the Audited Financial Statements of the Company, forming part of the Annual Report for the financial year ended March 31, 2017.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The policy has been

disseminated on the website of the Company at <http://www.adi-mps.com/Policies/Policy-On-Related-Party-TransactionsI.pdf>.

(iii) Vigil Mechanism and Protection Against Sexual Harassment

The Company believes in highest standards of ethical, moral and fair conduct of business operations. To fulfill these objectives, the Company has adopted a Whistle Blower Policy. This policy encourages the employees, to come forward and report genuine concerns about unethical behavior, actual or suspected frauds to Ombudsman / Audit Committee. The identity of the reporting employee is kept confidential. The matter is investigated thoroughly and the findings are reported to the Audit Committee for proper actions. During the financial year no employee was denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company at <http://www.adi-mps.com/Policies/MPS-Whistle-Blower-Policy.pdf>.

The Company provides a safe and healthy work environment to all its employees. To ensure the safety of its employees, the Company has adopted a Policy on Prevention of Sexual Harassment of Women at workplace. The Company has established the necessary mechanism for employees to report their concerns about unethical and unwelcome behavior. The Prevention of Sexual Harassment Policy is communicated to the employees through the intranet site of the Company.

(iv) Accounting Principles

In the preparation of financial statements, the Company followed the applicable accounting principles, generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

(v) Foreign Exchange Risk and Hedging

During the year, the Company had managed the foreign exchange risk by entering into forward contracts for hedging foreign exchange exposures against its exports to the extent considered necessary as per the policy approved by the Board. The details of foreign currency exposure are disclosed in Note No. 22 to the Audited Financial Statements of the Company, forming part of the Annual Report for the financial year ended March 31, 2017.

(vi) Adoption of Non-Mandatory Requirements of Listing Regulations

- The Board is headed by an Executive Chairman.
- The Company has separate posts of Chairman and CEO.
- The Internal Auditors report directly to the Audit Committee of the Company.
- The Company is already in No Audit Qualifications regime.

## CEO & CFO CERTIFICATION

CEO and CFO of the Company have certified to the Board on the accuracy of financial reporting and adequacy of internal controls for the financial year ended March 31, 2017. This certificate is enclosed with this report.

## MEANS OF COMMUNICATION

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

- In compliance with the Listing Regulations, the Company promptly submits the Financial Results and other business updates to the Stock Exchange(s) to enable them to display these on their websites.
- Company publishes its financial results in the prescribed abridged format in Financial Express (English Newspaper) and Makkal Kural (Tamil Newspaper) with a footnote of availability of complete financial results at the stock exchanges and company's websites. Full results are sent to the Stock Exchanges.
- All periodic compliances, viz. quarterly shareholding patterns, corporate governance reports, investors complaint redressal mechanism, etc., and other event-based disclosures are being filed at the web-based filing platforms of NSE (NEAPS) and BSE (Listing Centre).
- The Financial Results, investor's updates, shareholding patterns, press releases and other shareholders related information of the Company are also displayed on the website of the Company, [www.adi-mps.com](http://www.adi-mps.com).

**Business Locations**

Chennai-Books, Journals, Digital Services, and Learning & New Media Services Unit	RR Towers IV, Super A, 16/17 T VK Industrial Estate, Chennai-600032, Tamilnadu
Bengaluru-Journals, Books, Digital Services and Ad-Studio Unit	HMG Ambassador, 137, Residency Road, Bengaluru-560025, Karnataka
Gurgaon-Fulfillment Services & Content Hosting unit	340, Udyog Vihar, Phase IV, Gurgaon, Haryana-122016
Noida-Books, MPS Technologies and Learning and New Media Services Unit	C-35, Sector 62, Noida-201 307, Uttar Pradesh
Dehradun-Books & Journals Unit	33, Sahastra Dhara Road, IT Park, Dehradun Uttarakhand-248001
USA-Books and Journals Unit	1717 NE 42nd Avenue, Suite 2101, Portland, Oregon 97213
Registrar and Share Transfer Agent	<b>Cameo Corporate Services Limited</b> Subramanian Building, 1 Club House Road, Chennai – 600002 Phone no. 044 – 28460390 Contact person: Mr. D. Narasimhan, Joint Manager
Registered Office Address: <b>MPS Limited</b> RR Towers IV, Super A, 16/17 Thiru Vi Ka Industrial Estate, Guindy, Chennai 600 032, Tamilnadu Tel. : (+91 – 44 49162222) Fax No.: (+91 – 44 49162225) Website address: www.adi-mps.com	<b>Address for Correspondence –</b> <b>Corporate Office:</b> <b>MPS Limited</b> C-35, Sector 62, Noida – 201 307 Uttar Pradesh Tel. : (+91 – 120- 4599754)

For and on behalf of the Board of Directors

Gurugram  
May 10, 2017

**Nishith Arora**  
*Chairman*

## INDEPENDENT AUDITOR'S CERTIFICATE

To  
The Members of  
MPS Limited

### Independent Auditor's certificate on Corporate Governance

1. This Certificate is issued in accordance with the terms of our agreement dated 5 May 2017.
2. The accompanying Corporate Governance Report (the 'Report') contains details of compliance of conditions of Corporate Governance, as per regulations 17-27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') by MPS Limited (the 'Company') for the year ended 31 March 2017. We have initialed the Report for identification purpose only.

### Management responsibility on compliance with the conditions contained in Listing Regulations

3. The preparation of the accompanying Report is the responsibility of the Management of the Company. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Report, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Company complies with the requirements of the Listing Regulations and for providing all relevant information to the Securities and Exchange Board of India.

### Auditor's Responsibility

5. Pursuant to the requirements of Clause E to Section V to the Listing Regulations, it is our responsibility to obtain reasonable assurance and form an opinion as to whether the Company complies with the conditions of Corporate Governance as per regulations 17-27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the year ended 31 March 2017.
6. We conducted our examination of the Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. Based on our examination as above, and the information and explanations given to us, in our opinion the Company has complied with the conditions of Corporate Governance as per regulations 17 to 27, clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the year ended 31 March 2017.

### Restrictions on Use

9. This Certificate is addressed to and provided to the members of the Company solely for the purpose of complying with the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022

**Shashank Agarwal**  
*Partner*  
Membership No.: 095109

Place: Gurgaon  
Date: May 10, 2017



## CEO/ CFO Certification as per Regulation 17(8) of the Listing Regulations

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

- a. We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2017 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee
  - i. that there are no significant changes in internal control during the year;
  - ii. that there are no significant changes in accounting policies during the year which have been disclosed in the notes to the financial statements; and
  - iii. that there are no instances of significant fraud of which we became aware or the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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**Rahul Arora**  
*Chief Executive Officer*  
Place: Gurugram  
Date: May 10, 2017

**Sunit Malhotra**  
*Chief Financial Officer*

## Independent Auditor's Report

### To the Members of MPS Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **MPS Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rule, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 22.1 to the Standalone Financial Statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
  - iv. The Company has provided requisite disclosures in the Standalone Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm Registration No.: 101248W / W-100022

**Shashank Agarwal**

*Partner*

Membership No.: 095109

Place: Gurgaon

Date: 10 May 2017

## Annexure A

**Annexure A referred to in our Independent Auditor's Report to the members of MPS Limited on the Standalone Financial Statements for the year ended 31 March 2017, we report that:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified every year, which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. In accordance with this program, all fixed assets have been physically verified by the management during the year. The discrepancies noticed on such verification were not material.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company except for the following

S.No.	Particulars of immovable property	Net block as at 31 March 2017	Remarks
1	Office space at Building located at 137, Residency Road Bangalore admeasuring 62,349 square feet	₹1,280.91 Lacs	The title deeds for building and undivided portion of land are held in the name of HMG Ambassador Property Management Private Limited, represented by 14,750,000 equity shares of ₹10 each representing the value of land and buildings with irrevocable right of permanent occupation.
2	Office space at Building located at 135, Brigade Road Bangalore admeasuring 10,000 square feet	₹52.46 Lacs	The title deeds for building and undivided portion of land admeasuring 10,000 square feet are in the name of Brigade Marketing Company Private Limited, erstwhile Company that was merged with Macmillan India Limited under Section 391 to 394 of the Companies Act, 1956 in terms of the Honorable Karnataka High Court order dated 21 June 2005.

- (ii) The Company is a service company, primarily engaged in the business of providing publishing solutions. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Act. Accordingly, para 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of 186 of the Act in respect of making investments. The Company has not granted any loans, provided any security or guarantees under Section 185 and has not granted any loans or provided any securities or guarantees under section 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the activities carried out by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Service tax, Sales tax, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the

Company with the appropriate authorities. As explained to us, the provisions relating to Duty of excise and Duty of customs are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Value added tax, Service tax, Cess and other material statutory

dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Value added tax, and Service tax, which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the statute	Nature of the dues	Amount (₹ in lacs)	Period to which the amount relates	Payment under protest in (₹ in lacs)	Forum where dispute is pending
Income tax Act, 1961	Income tax	31.71	AY 2007-08	–	Assessing officer
Income tax Act, 1961	Income tax	149.79	AY 2008-09	–	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	12.95	AY 2009-10	–	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	174.58	AY 2010-11	77.33	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	229.57	AY 2012-13	–	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	30.78	AY 2015-16	–	Assessing officer
Finance Act, 1994	Service tax	364.58	Financial year 2003-04 to 2008-09	35	Customs and Excise Service Tax Appellate Tribunal

- (viii) The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (ix) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance

with provisions of section 197 read with Schedule V of the Act.

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no transactions with the related parties which are not in compliance with Section 177 and 188 of the Act and the details have been disclosed in the Standalone Financial Statements, as required, by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made

any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. However, during the year ended 31 March 2015, the Company had raised ₹14,999 lacs through Qualified Institutional Placement (QIP) pursuant to the provisions of Section 42 of the Companies Act 2013 and the Rules made thereunder and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The proceeds of the issue (net of issue expenses of ₹219 lacs) are to augment funds for growth opportunities such as acquisitions and strategic initiatives and general corporate purposes and any other purposes as may be permissible under applicable law. The Company has utilized a sum of ₹2,756 lacs for the purpose for which these proceeds were raised. Further, the remaining proceeds of ₹12,024 lacs, pending the utilization for the objects of QIP, have temporarily been invested in interest / dividend bearing liquid instruments, including money market mutual funds.

(xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm Registration No.: 101248W / W-100022

**Shashank Agarwal**

*Partner*

Place: Gurgaon

Date: 10 May 2017

Membership No.: 095109

## Annexure B

### Annexure B to the Independent Auditor's Report of even date on the Standalone Financial Statements of MPS Limited for the year ended 31 March 2017

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

We have audited the internal financial controls over financial reporting of MPS Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

and maintained and if such controls operated effectively in all material respects.

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

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

#### Meaning of Internal Financial Controls Over Financial Reporting

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



reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects,

an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm Registration No.: 101248W / W-100022

**Shashank Agarwal**

*Partner*

Place: Gurgaon

Date: 10 May 2017

Membership No.: 095109

## Standalone Balance Sheet

as at 31 March 2017

₹ in Lacs

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	1,861.69	1,861.69
Reserves and surplus	4	32,575.14	25,625.05
		<b>34,436.83</b>	<b>27,486.74</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	29	267.38	118.08
		<b>267.38</b>	<b>118.08</b>
<b>Current liabilities</b>			
Trade payables	5		
Outstanding dues of micro enterprises and small enterprises		2.66	-
Outstanding dues of creditors other than micro enterprises and small enterprises		725.11	751.45
Other current liabilities	6	1,026.50	1,050.36
Short-term provisions	7	363.44	417.49
		<b>2,117.71</b>	<b>2,219.30</b>
<b>TOTAL</b>		<b>36,821.92</b>	<b>29,824.12</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment			
Tangible assets	8.A	2,272.63	2,327.70
Intangible assets	8.B	278.68	104.80
Capital work-in-progress		-	5.85
		2,551.31	2,438.35
Non-current investments	9	4,706.65	2,423.96
Long-term loans and advances	10	2,255.95	2,664.01
Other non-current assets	11	27.68	27.28
		<b>9,541.59</b>	<b>7,553.60</b>
<b>Current assets</b>			
Current investments	12	20,593.11	16,901.87
Trade receivables	13	3,876.14	3,633.97
Cash and cash equivalents	14	325.62	423.10
Short-term loans and advances	15	831.35	422.15
Other current assets	16	1,654.11	889.43
		<b>27,280.33</b>	<b>22,270.52</b>
<b>TOTAL</b>		<b>36,821.92</b>	<b>29,824.12</b>
<b>Significant accounting policies</b>	2		
The notes form an integral part of the financial statements	1-34		

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W / W-100022

**Shashank Agarwal**

Partner

Membership Number: 095109

Place: Gurugram

Dated: 10 May 2017

For and on behalf of the Board of Directors of **MPS Limited****Rahul Arora**

Chief Executive Officer &amp; Whole Time Director

DIN: 05353333

**Sunit Malhotra**

Chief Financial Officer

Place: Gurugram

Dated: 10 May 2017

**Vijay Sood**

Director

DIN: 01473455

**Hitesh Jain**

Company Secretary

## Standalone Statement of Profit and Loss

for the year ended 31 March 2017

₹ in Lacs

Particulars	Note No.	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations (net)	17	22,356.27	22,403.87
Other income	18	1,883.26	1,832.67
<b>Total revenue</b>		<b>24,239.53</b>	<b>24,236.54</b>
<b>Expenses</b>			
Employee benefits expense	19	9,495.21	9,081.31
Finance costs	20	17.46	11.40
Depreciation and amortization expense	8A and 8B	459.69	385.63
Other expenses	21	4,148.76	4,370.64
<b>Total expenses</b>		<b>14,121.12</b>	<b>13,848.98</b>
<b>Profit before tax</b>		<b>10,118.41</b>	<b>10,387.56</b>
<b>Tax expense:</b>			
Current tax		3,151.73	3,509.63
Reversal of excess provision for tax relating to earlier years		(132.71)	(235.43)
Deferred tax charge		149.30	60.85
<b>Total tax expense</b>		<b>3,168.32</b>	<b>3,335.05</b>
<b>Profit for the year</b>		<b>6,950.09</b>	<b>7,052.51</b>
<b>Earnings per equity share (nominal value of share ₹10)</b> (previous year : ₹10)			
<b>Basic and Diluted</b> (earnings per equity share expressed in absolute amount in Indian rupees)	28	37.33	37.88
<b>Significant accounting policies</b>	2		
The notes form an integral part of the financial statements	1-34		

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W / W-100022

**Shashank Agarwal**

Partner

Membership Number: 095109

Place: Gurugram

Dated: 10 May 2017

For and on behalf of the Board of Directors of **MPS Limited**

**Rahul Arora**

Chief Executive Officer & Whole Time Director

DIN: 05353333

**Sunit Malhotra**

Chief Financial Officer

Place: Gurugram

Dated: 10 May 2017

**Vijay Sood**

Director

DIN: 01473455

**Hitesh Jain**

Company Secretary

## Standalone Cash Flow Statement

for the year ended 31 March 2017

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>A. Cash flow from operating activities</b>		
Net Profit before tax	<b>10,118.41</b>	<b>10,387.56</b>
Adjustments for:		
Depreciation and amortisation expense	459.69	385.63
Interest income	(14.64)	(3.19)
Dividend income	(813.04)	(39.32)
Net gain on sale of current investment	(122.67)	(1,308.74)
Interest expense	17.46	11.40
Profit / (loss) on sale / disposal of fixed assets (net)	(592.20)	2.27
Loss on revaluation of investment	3.74	-
Liabilities / provisions no longer required written back	(79.70)	(70.35)
Provision for doubtful debts and advances	77.04	236.87
Bad debts written off	48.21	3.58
Loans and advances written off	11.54	0.10
Unrealised exchange difference (net)	(79.67)	(89.75)
Unrealized marked to market gain on forward contracts	(37.79)	(51.34)
<b>Operating cash flows before working capital changes</b>	<b>8,996.38</b>	<b>9,464.72</b>
(Increase) / decrease in trade receivables	(210.50)	(339.38)
(Increase) / decrease in short-term loans and advances	(371.41)	50.94
(Increase) / decrease in other current assets	(764.55)	(67.78)
(Increase) / decrease in long-term loans and advances	630.16	(647.02)
(Increase) / decrease in other non current assets	(0.40)	(9.60)
(Decrease) / increase in trade payables	(58.98)	(99.16)
(Decrease) / increase in other current liabilities	48.16	189.13
(Decrease) / increase in short-term provisions	(61.37)	162.46
<b>Cash generated from operations</b>	<b>8,207.49</b>	<b>8,704.31</b>
Net income tax paid	(3,240.49)	(3,683.75)
<b>Net cash provided by operating activities (A)</b>	<b>4,967.00</b>	<b>5,020.56</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(596.51)	(684.70)
Proceeds from sale of fixed assets	616.05	3.81
Purchase of non current investments	(2,282.70)	(639.20)
Purchase of current investments	(14,489.33)	(39,740.66)
Proceeds from sale of investments	10,917.01	40,051.21
Dividends received	813.04	39.32
Interest received - others	14.51	3.19
<b>Net cash used in investing activities (B)</b>	<b>(5,007.93)</b>	<b>(967.03)</b>

## Standalone Cash Flow Statement

for the year ended 31 March 2017

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>C. Cash flow from financing activities</b>		
Finance cost	(14.61)	(11.40)
Interim dividend paid	–	(4,095.72)
Tax on dividend	–	(833.79)
<b>Net cash (used in) / flow from financing activities (C)</b>	<b>(14.61)</b>	<b>(4,940.91)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(55.54)</b>	<b>(887.38)</b>
Effects of exchange differences on cash and cash equivalents held in foreign currency	(41.94)	31.98
Cash and cash equivalents at the beginning of the year	423.10	1,278.50
<b>Cash and cash equivalents at the end of the year (see below)</b>	<b>325.62</b>	<b>423.10</b>
<b>Notes to cash flow statement</b>		
Components of cash and cash equivalents:		
Cash on hand	–	–
Balances with banks		
- Current accounts	187.55	72.79
- EEFC accounts	33.07	290.31
- Demand deposit accounts (demand deposits and deposits having original maturity of 3 months or less)	105.00	60.00
	<b>325.62</b>	<b>423.10</b>
The notes form an integral part of the financial statements	1-34	

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W / W-100022

**Shashank Agarwal**

Partner

Membership Number: 095109

Place: Gurugram

Dated: 10 May 2017

For and on behalf of the Board of Directors of **MPS Limited**

**Rahul Arora**

Chief Executive Officer & Whole Time Director

DIN: 05353333

**Sunit Malhotra**

Chief Financial Officer

Place: Gurugram

Dated: 10 May 2017

**Vijay Sood**

Director

DIN: 01473455

**Hitesh Jain**

Company Secretary

## Notes forming part of the Standalone Financial Statements

### 1: COMPANY OVERVIEW

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

The Company offers a diverse geographic spread with production facilities registered under the Software Technology Park of India (STPI) scheme in Chennai, Noida, Gurgaon and Bengaluru. The Company also operates with other production facilities in Dehradun and editorial and marketing offices in United States. The Company's multi location presence helps it in executing various customer requirements efficiently.

### 2: SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these standalone financial statements

#### 2.1 Basis of preparation of financial statements

The Standalone Financial Statements have been prepared under the historical cost convention on a going concern basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). Indian GAAP comprises mandatory accounting standards as specified under the section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Amendment Rules, 2016 and other accounting pronouncements of the Institute of Chartered Accountants of India.

#### 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. Examples of such estimates include the useful life and residual value of fixed assets, retirement benefits, income taxes, provision for doubtful debts and unbilled revenue. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 2.3 Current-non-current classification

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.

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

## Notes forming part of the Standalone Financial Statements

### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

### 2.4 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and 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 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 Property, plant and equipment (tangible / intangible)

Property, plant and equipment are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of property, plant and equipment 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 property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

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, if any. Intangible assets comprise of software where it is expected to obtain future enduring economic benefits. Integrally generated intangible assets arising from development activities is recognized only on demonstration of its technical feasibility, the intention and ability of the company to complete, use or sell it and is amortized using straight line basis. The costs are capitalized in the year in which the relevant software is implemented for use.

### Capital work-in-process

Projects under which tangible property, plant and equipment 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.

### 2.7 Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible property, plant and equipment has been provided on the straight-line method as per the useful life which is same as prescribed in Part C of Schedule II to the Companies Act, except on intangible assets



## Notes forming part of the Standalone Financial Statements

(computer software) which are amortized between 2 to 5 years based on the economic benefits that are expected to accrue to the Company over such period.

Leasehold improvements are amortized on a straight line basis over the period of lease or their useful lives, whichever is shorter.

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

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

### **2.8 Revenue recognition**

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

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

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

### **2.9 Other income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Dividend income is accounted for when the right to receive it is established.

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

### **2.10 Foreign currency transactions and translations**

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

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

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

#### **Accounting of forward contracts**

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

Forward exchange contract relating to firm commitment and highly probable forecast transactions are mark to market and related gains / losses are recognized in the statement of profit and loss.

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 above.

## Notes forming part of the Standalone Financial Statements

### 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, employee state insurance scheme and 401(k) plan in U.S.A.

#### Defined contribution plans

The Company's contribution to provident fund, superannuation fund, employee state insurance scheme and 401(k) plan 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

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The scheme is funded with an insurance company in the form of a qualifying insurance policy. The gratuity benefit obligation recognized in the balance sheet represents the present value of the obligations as reduced by fair value of assets held by the Insurance Company. Actuarial gain / losses are recognized immediately in the statement of profit and loss account.

#### Short-term employee benefits

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

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

#### Long-term employee benefits

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

### 2.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. The total lease rentals in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss.

### 2.14 Earnings per share

Basic earnings / (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings / (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, except where the result would be anti-dilutive.

## Notes forming part of the Standalone Financial Statements

### 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 applicable tax rates and the provisions of the Income Tax Act, 1961 and applicable foreign tax laws.

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

### 2.16 Impairment of assets

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

### 2.17 Provisions and contingencies

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

## Notes forming part of the Standalone Financial Statements

### Note 3 SHARE CAPITAL

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Amount in ₹ Lacs	Number of shares	Amount in ₹ Lacs
<b>(a) Authorised share capital</b>				
Equity shares of ₹10 each with voting rights	20,000,000	2,000.00	20,000,000	2,000.00
<b>(b) Issued, subscribed and fully paid up share capital</b>				
Equity shares of ₹10 each with voting rights (refer note (i) to (v) below)	18,616,926	1,861.69	18,616,926	1,861.69
<b>Total</b>		<b>1,861.69</b>		<b>1,861.69</b>

#### Notes:

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Amount in ₹ Lacs	Number of shares	Amount in ₹ Lacs
<b>Equity shares (with voting rights)</b>				
At the beginning of the year	18,616,926	1,861.69	18,616,926	1,861.69
Add: Issue during the year	–	–	–	–
<b>At the end of the year</b>	<b>18,616,926</b>	<b>1,861.69</b>	<b>18,616,926</b>	<b>1,861.69</b>

The Company had raised ₹14,780 Lacs from Qualified Institutional Plan ('QIP') (net of issue expenses) during the year ended 31 March 2015. Out of the said proceeds, the Company has utilized a sum of ₹2,756 Lacs for acquisitions of companies and group of assets during the year ended 31 March 2017 (including advance consideration of ₹428 Lacs for acquisition of group of assets consummated on 1 April 2017. Also refer note no.32) and the balance proceeds of ₹12,024 Lacs, pending utilization for the objects of QIP-growth opportunities such as acquisitions, strategic initiatives, general corporate purposes and any other purposes as may be permissible under applicable law, remains invested in interest / dividend bearing liquid instruments, including money market mutual funds.

#### (ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The equity share holders are entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amount, if any. 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:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Amount in ₹ Lacs	Number of shares	Amount in ₹ Lacs
<b>Equity shares of ₹10 each fully paid up and held by</b>				
ADI BPO Services Limited, the holding company	12,616,996	1,261.70	12,616,996	1,261.70

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

Class of shares / Name of shareholder	As at 31 March 2017		As at 31 March 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares of ₹10 each fully paid up and held by</b>				
ADI BPO Services Limited, the holding company	12,616,996	67.77%	12,616,996	67.77%
HDFC Mutual Fund (in different schemes)	1,004,047	5.39%	–	–

#### (v) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

There are no bonus shares issued and shares bought back during the period of five years immediately preceding the reporting date.

## Notes forming part of the Standalone Financial Statements

### Note 4 RESERVES AND SURPLUS

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
<b>(a) Securities premium account</b>		
At the commencement of the year and at the end of the year	14,600.33	14,600.33
<b>(b) General reserve</b>		
At the commencement of the year	2,154.31	1,449.06
Add: Transferred from surplus in Statement of Profit and Loss	695.01	705.25
<b>At the end of the year</b>	<b>2,849.32</b>	<b>2,154.31</b>
<b>(c) Surplus in Statement of Profit and Loss</b>		
At the commencement of the year	8,870.41	7,452.66
Add: Profit for the year	6,950.09	7,052.51
Less: Interim dividend*	–	4,095.72
Less: Tax on Interim dividend	–	833.79
Less: Transferred to general reserve	695.01	705.25
<b>At the end of the year</b>	<b>15,125.49</b>	<b>8,870.41</b>
	<b>32,575.14</b>	<b>25,625.05</b>

\* For the year ended 31 March 2016, interim dividend of 220% i.e., ₹22 per fully paid up equity share has been recognised as distributions to equity shareholders.

### Note 5 TRADE PAYABLES

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Trade payables</b>		
(i) Outstanding dues of micro enterprises and small enterprises*	2.66	–
(ii) Outstanding dues of creditors other than micro enterprises and small enterprises	725.11	751.45
	<b>727.77</b>	<b>751.45</b>

\*The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no over dues to parties on account of principal amount and / or interest. Accordingly, no additional disclosures are required.

### Note 6 OTHER CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Income received in advance (Unearned revenue)	151.79	151.09
(b) Book overdraft	43.79	92.37
(c) Employee payable	307.31	291.50
(d) Other payables:		
(i) Statutory remittances*	120.38	110.20
(ii) Others	403.23	405.20
	<b>1,026.50</b>	<b>1,050.36</b>

\*(includes Tax deducted at Source, Provident Fund, Employee State Insurance and Sales Tax, etc)

### Note 7 SHORT-TERM PROVISIONS

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Provision for tax (net of advance tax of ₹3,160.84 Lacs (PY ₹9,017.74 Lacs)	127.81	115.64
(b) Provision for service tax (refer note 30)	149.46	144.63
(c) Provision for compensated absences	13.89	28.58
(d) Provision for gratuity (refer note 23.1.b)	72.28	128.64
	<b>363.44</b>	<b>417.49</b>

## Notes forming part of the Standalone Financial Statements

### Note 8 PROPERTY, PLANT AND EQUIPMENT

#### A. Tangible assets

(Owned)	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2016	Additions / Adjustments	Disposals / Adjustments	Balance as at 31 March 2017	Balance as at 1 April 2016	For the year	Balance as at 31 March 2017	As at 31 March 2016
(a) Freehold land*	405.05 (405.05)	- (-)	0.69 (-)	404.36 (405.05)	- (-)	- (-)	404.36 (405.05)	405.05 (405.05)
(b) Buildings*	1,430.41 (1,430.41)	- (-)	29.49 (-)	1,400.92 (1,430.41)	394.51 (370.44)	23.61 (24.07)	993.67 (1,035.90)	1,035.90 (1,059.97)
(c) Plant and equipment	3,799.08 (3,503.18)	355.97 (575.69)	228.18 (279.79)	3,926.87 (3,799.08)	2,969.97 (2,960.82)	341.95 (275.75)	3,084.22 (2,969.97)	829.11 (542.36)
(d) Furniture and fixtures	371.76 (405.00)	0.14 (19.24)	0.13 (52.48)	371.77 (371.76)	354.06 (375.02)	8.82 (27.80)	362.85 (354.06)	17.70 (29.98)
(e) Vehicles	86.92 (86.92)	- (-)	17.08 (-)	69.84 (86.92)	46.98 (33.81)	12.95 (13.17)	46.81 (46.98)	39.94 (53.11)
(f) Leasehold improvements	36.78 (41.18)	- (-)	- (4.40)	36.78 (36.78)	36.78 (29.56)	- (9.40)	36.78 (36.78)	- (11.62)
<b>Total (A)</b>	<b>6,130.00</b>	<b>356.11</b>	<b>275.57</b>	<b>6,210.54</b>	<b>3,802.30</b>	<b>387.33</b>	<b>3,937.91</b>	<b>2,272.63</b>
Previous year	(5,871.74)	(594.93)	(336.67)	(6,130.00)	(3,769.65)	(350.19)	(3,802.30)	(2,102.09)

#### B. Intangible assets

(Owned)	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2016	Additions / Adjustments	Disposals / Adjustments	Balance as at 31 March 2017	Balance as at 1 April 2016	For the year	Balance as at 31 March 2017	As at 31 March 2016
(i) Computer software (acquired)	1,868.05 (1,778.28)	246.24 (89.77)	334.75 (-)	1,779.54 (1,868.05)	1,763.25 (1,727.81)	72.36 (35.44)	1,500.86 (1,763.25)	104.80 (50.47)
<b>Total (B)</b>	<b>1,868.05</b>	<b>246.24</b>	<b>334.75</b>	<b>1,779.54</b>	<b>1,763.25</b>	<b>72.36</b>	<b>1,500.86</b>	<b>104.80</b>
Previous year	(1,778.28)	(89.77)	(-)	(1,868.05)	(1,727.81)	(35.44)	(1,763.25)	(50.47)
<b>Total (A) ± (B)</b>	<b>7,998.05</b>	<b>602.36</b>	<b>610.32</b>	<b>7,990.08</b>	<b>5,565.55</b>	<b>459.69</b>	<b>5,438.77</b>	<b>2,432.50</b>
Previous Year	(7,650.02)	(684.70)	(336.67)	(7,998.05)	(5,497.46)	(385.63)	(5,565.55)	(2,152.56)
Capital work-in-progress	-	-	-	-	-	-	-	5.85

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

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

Figures in brackets relate to previous year

## Notes forming part of the Standalone Financial Statements

### Note 9 NON-CURRENT INVESTMENT

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Investments (At cost):</b>		
Investment in equity units of subsidiary		
66,500 Units (As at 31 March 2016: 40,000 Units) of USD 100 each fully paid up of MPS North America LLC, USA	4,257.39	2,423.96
1,000 Shares (As at 31 March 2016: Nil Shares) of SEK 100 each fully paid up of MAG+AB, Sweden*	449.26	–
	<b>4,706.65</b>	<b>2,423.96</b>

\*The Board of Directors of the Company at their meeting held on 25 January 2017 approved for liquidation of MAG+AB, Sweden, a subsidiary company. MAG+AB, vide approval of its shareholders at their meeting held on 16 February 2017, has filed for voluntary liquidation procedure in February 2017 and the same is in process as at the year ended 31 March 2017. On completion of the liquidation process, residual fund of MAG+AB will be disbursed to the Company in extinguishment of 100 percent shareholding of the Company in MAG+AB.

### Note 10 LONG-TERM LOANS AND ADVANCES

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Security deposits		
Unsecured, considered good (Refer Note (i) below)	231.46	266.50
(b) Prepaid expenses - Unsecured, considered good	13.48	9.15
(c) Advance income tax (net of provisions of ₹4,403.35 (Previous year: ₹1,242.77 Lacs))	638.67	405.03
(d) Balances with government authorities - unsecured, considered good		
(i) Service tax credit receivable	1,281.95	1,946.80
(ii) Others	90.39	36.53
	<b>2,255.95</b>	<b>2,664.01</b>

#### Note (i):

Includes ₹100 Lacs (Previous year: ₹100 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.

### Note 11 OTHER NON-CURRENT ASSETS

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
Balances held as margin money or security against guarantees	27.68	27.28
	<b>27.68</b>	<b>27.28</b>



## Notes forming part of the Standalone Financial Statements

### Note 12 CURRENT INVESTMENTS

Particulars	As at 31 March 2017		As at 31 March 2016	
	Units in '000	Amount in ₹ Lacs	Units in '000	Amount in ₹ Lacs
<b>Investment in mutual funds (Unquoted fully paid up)</b>				
Kotak Liquid Scheme Plan A - Direct Plan - Daily Dividend*	16.95	207.24	17.07	208.73
Birla Sun Life Cash Plus - Growth - Direct Plan	–	–	61.71	150.00
ICICI Prudential Liquid - Direct Plan Growth	–	–	89.25	200.00
Reliance Liquid Fund - Treasury Plan - Direct Growth Plan - Growth Option	–	–	5.42	200.00
TATA Money Market Fund - Direct Plan - Daily Dividend Reinvestment	85.61	857.41	–	–
Reliance Liquid Fund - Treasury Plan - Direct Plan - Weekly Dividend Reinvestment	43.35	663.40	–	–
DHFL Pramerica Insta Cash Plus Fund - Direct Plan - Weekly Dividend - Reinvestment	251.17	252.63	–	–
Axis Liquid Fund - Direct Plan - Weekly Dividend Reinvestment	100.64	1,008.67	–	–
TATA Liquid Fund - Direct Plan - Weekly Dividend Reinvestment	55.09	551.44	–	–
DSP Blackrock Liquidity Fund - Direct Plan - Weekly Dividend Reinvestment	35.35	353.87	–	–
Kotak Floater Short Term - Direct Plan - Weekly Dividend - Reinvestment	45.33	463.46	–	–
Birla Sun Life Savings Fund - Regular Plan - Weekly Dividend - Reinvestment	2,038.39	2,043.96	1,926.11	1,931.08
HDFC Liquid Fund - Weekly Dividend - Reinvestment	230.57	2,378.75	158.84	1,640.13
HDFC Liquid Fund - Weekly Dividend - Reinvestment	96.25	993.16	219.99	2,269.68
ICICI Prudential Liquid - Weekly Dividend - Reinvestment	1,686.65	1,690.75	1,608.56	1,613.64
ICICI Prudential Flexible Income - Regular Plan - Weekly Dividend Reinvestment	1,935.56	2,042.37	1,827.37	1,928.30
Reliance Liquid Fund - Treasury Plan - Dividend Weekly - Reinvestment	110.51	1,691.17	105.33	1,611.89
Axis Liquid Fund - Dividend Weekly - Reinvestment	168.64	1,689.92	160.84	1,611.74
Kotak Liquid Scheme Plan A - (Regular Plan) Dividend Weekly Reinvestment	168.84	1,689.83	161.06	1,613.05
DSP Black Rock - Liquidity Fund - Institutional Plan - Dividend Weekly Reinvestment	201.36	2,015.08	192.22	1,923.63
<b>Total</b>	<b>7,270.26</b>	<b>20,593.11</b>	<b>6,533.77</b>	<b>16,901.87</b>
Aggregate market value (NAV) of investments		<b>20,598.50</b>		<b>16,914.08</b>

\*Out of the same mutual fund units i.e., 16,355.7773 with an NAV of ₹1,222.81 as at 31 March 2017 (Previous year: Units 16,355.7773 as at NAV of ₹1,222.81) have been pledged with Kotak Mahindra Bank Limited as a security towards hedging facilities availed by the Company.

## Notes forming part of the Standalone Financial Statements

### Note 13 TRADE RECEIVABLES (UNSECURED)

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
Trade receivable for a period exceeding six months:		
Considered good	114.83	13.26
Doubtful	66.48	19.33
	<b>181.31</b>	<b>32.59</b>
Less: Provision for doubtful trade receivables	66.48	19.33
	<b>114.83</b>	<b>13.26</b>
Other Trade receivables:		
Considered good	3,761.31	3,620.71
Doubtful	–	14.76
	<b>3,761.31</b>	<b>3,635.47</b>
Less: Provision for doubtful trade receivables	–	14.76
	<b>3,761.31</b>	<b>3,620.71</b>
	<b>3,876.14</b>	<b>3,633.97</b>

### Note 14 CASH AND CASH EQUIVALENTS

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
Balances with banks		
(i) In current accounts	187.55	72.79
(ii) In EEFC accounts	33.07	290.31
(iii) In demand deposit accounts (demand deposits and deposits having original maturity of 3 months or less)	105.00	60.00
<b>Total Cash and cash equivalents</b>	<b>325.62</b>	<b>423.10</b>
<b>Details of bank balances / deposits</b>		
Bank balances available on demand / deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	105.00	60.00
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 11)	27.68	27.28
	<b>132.68</b>	<b>87.28</b>

## Notes forming part of the Standalone Financial Statements

### Note 15 SHORT-TERM LOANS AND ADVANCES

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Security deposits		
Unsecured, considered good	20.46	1.13
Doubtful	1.13	1.27
	21.59	2.40
Less: Provision for doubtful deposits	1.13	1.27
	20.46	1.13
(b) Loans and advances to employees		
Unsecured, considered good	5.64	15.67
Doubtful	25.14	19.40
	30.78	35.07
Less: Provision for doubtful loans and advances	25.14	19.40
	5.64	15.67
(c) Prepaid expenses - Unsecured, considered good	143.04	222.06
(d) Balances with government authorities - Unsecured, considered good		
(i) VAT credit receivable	7.69	7.67
(e) Unrealized MTM gain receivable on forward covers	200.15	162.36
(f) Others		
Unsecured, considered good (refer note no 32)	454.37	13.26
	<b>831.35</b>	<b>422.15</b>

### Note 16 OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Interest accrued on deposits	0.60	0.47
(b) Unbilled revenue	1,653.51	888.96
	<b>1,654.11</b>	<b>889.43</b>

### Note 17 REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of services		
(i) Exports (earning in foreign currency)	22,335.80	22,387.01
(ii) Domestic	20.47	16.86
	<b>22,356.27</b>	<b>22,403.87</b>

## Notes forming part of the Standalone Financial Statements

### Note 18 OTHER INCOME

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a) Interest income from bank on deposits and others	14.64	3.19
(b) Dividend income from current investments (mutual funds)	813.04	39.32
(c) Net gain on sale of current investment	122.67	1,308.74
(d) MTM and net gain on foreign currency transactions and translation	211.20	407.75
(e) Other non-operating income (refer note (i) below)	721.71	73.67
	<b>1,883.26</b>	<b>1,832.67</b>

Note (i) Other non-operating income comprises:

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a) Liabilities no longer required written back	79.70	54.59
(b) Provisions on advances no longer required written back	–	15.76
(c) Bad debts and advances recovered	2.20	0.06
(d) Profit on sale / disposal of fixed assets (net)*	592.20	–
(e) Miscellaneous income	47.61	3.26
	<b>721.71</b>	<b>73.67</b>

\*During the current year, the Company has sold its property on second floor of Bridge Towers located in Bengaluru for a consideration of ₹610 Lacs and accounted for a pre tax profit of ₹591 Lacs.

### Note 19 EMPLOYEE BENEFITS EXPENSE

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Salaries and wages	8,445.02	8,092.96
Contributions to provident and other funds (refer note 23.1.a)	568.22	529.34
Staff welfare expenses	481.97	459.01
	<b>9,495.21</b>	<b>9,081.31</b>

### Note 20 FINANCE COSTS

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest expense on:		
Income tax and Service tax	17.46	11.40
	<b>17.46</b>	<b>11.40</b>

## Notes forming part of the Standalone Financial Statements

### Note 21 OTHER EXPENSES

₹ in Lacs

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
Consumables		26.44		24.74
Outsourcing cost		1,059.07		1,147.30
Power and fuel		527.91		416.88
Rent (refer Note 26)		426.32		550.80
Hire charges		11.36		18.05
Repairs and maintenance - buildings		289.31		275.75
Repairs and maintenance - plant and machinery		209.94		258.54
Repairs and maintenance - others		1.94		2.32
Insurance		29.02		30.54
Rates and taxes		41.72		47.49
Communication		308.25		268.92
Travelling and conveyance		443.55		472.06
Expenditure on corporate social responsibility (refer Note 27)		160.75		105.08
Legal and professional		255.65		190.77
Directors sitting fees		21.40		19.40
Commission to non-executive directors		58.60		60.60
Payments to auditors (refer Note (i) below)		43.86		52.85
Bad debts written off	52.01		12.80	
Less: Provision utilised for the above	3.80		9.22	
		48.21		3.58
Advances written off	11.54		120.05	
Less: Provision utilised for the above	-		120.00	
		11.54		0.05
Provision for doubtful trade and other receivables, loans and advances		41.94		34.77
Loss on fixed assets sold, scrapped and written off (net)	-		15.49	
Less: Provision utilised for the above	-		13.22	
		-		2.27
Loss on revaluation of current investment		3.74		-
Miscellaneous expenses		128.24		387.88
		<b>4,148.76</b>		<b>4,370.64</b>

### Note (i)

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Payments to the auditors comprises (net of service tax input credit, where applicable):		
To Statutory auditors:		
(i) For statutory audit	20.00	25.00
(ii) For tax audit	2.00	3.00
(iii) For other services #	18.00	20.50
(iv) Reimbursement of expenses	3.86	4.35
	<b>43.86</b>	<b>52.85</b>

# includes ₹3.50 lacs in financial year 2016-17 paid to erstwhile statutory auditors for limited review for the quarter ended 30 June 2016.

## Notes forming part of the Standalone Financial Statements

### Note 22.1 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
(i) Contingent liabilities		
Claims against the Company not acknowledged as debts		
(a) Income tax	657.42	702.80
(b) Service tax	288.25	266.70
(c) Employee State Insurance (ESI) and Provident Fund (PF)	6.59	6.59
(d) Other claims	239.82	211.02

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. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and (net of advances) not provided for	68.42	25.73
	<b>68.42</b>	<b>25.73</b>

### Note 22.2 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	Amount in ₹ (Lacs)
USD	48 (72)	Sell	3,342.95 (5,031.86)
GBP	- (8)	Sell	- (846.42)

Note: Figures in brackets relate to previous year.

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

As at 31 March 2017		As at 31 March 2016	
Receivable in Foreign currency	Receivable Amt in ₹ Lacs	Receivable in Foreign currency	Receivable Amt in ₹ Lacs
AUD 8,458	4.19	AUD 2,37,092	120.18
EUR 1,37,016	94.94	EUR 67,344	50.75
GBP 19,29,514	1,561.03	GBP 5,56,814	529.53
CAD 55,244	26.84	-	-
SGD 3,409	1.58	-	-
	<b>1,688.58</b>		<b>700.46</b>

## Notes forming part of the Standalone Financial Statements

Note 22.2 (Contd...)

As at 31 March 2017		As at 31 March 2016	
Payable in Foreign currency	Payable Amt in ₹ Lacs	Payable in Foreign currency	Payable Amt in ₹ Lacs
EUR 1,542	1.07	–	–
GBP 20,139	16.29	GBP 7,050	6.70
USD 184,417	119.59	USD 225,944	149.64
	<b>136.95</b>		<b>156.34</b>

Note 22.3 Value of imports calculated on CIF basis:

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Capital goods	108.68	78.83

Note 22.4 Expenditure in foreign currency:

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Outsourcing cost	451.10	678.05
Salaries and wages	374.37	315.09
Rates and taxes	0.18	0.18
Rent	24.20	8.79
Legal and professional charges	19.72	38.17
Repairs and maintenance - plant and machinery	34.31	25.03
Travelling and conveyance	72.02	99.79
Communication	149.16	106.09
Others	130.67	210.47
	<b>1,255.73</b>	<b>1,481.66</b>

Note 22.5 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Note 22.6 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

### Note 23 EMPLOYEE BENEFIT PLANS

#### 1.a. Defined contribution plans

The Company makes contributions to Provident Fund, 401 (k) plan, 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 ₹450.80 Lacs (Previous year ₹427.12 Lacs) for Provident Fund contributions, ₹18.20 Lacs (Previous year ₹13.30 Lacs) for 401 (k) plan, ₹6.30 Lacs (Previous year ₹6.30 Lacs.) for Superannuation Fund contributions and ₹92.92 Lacs (Previous year ₹82.62 Lacs) for ESI in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.



## Notes forming part of the Standalone Financial Statements

### Note 23 EMPLOYEE BENEFIT PLANS (contd...)

#### 1.b. Defined benefit plans

The Company offers the following employee benefit scheme to its employees:

##### i. Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Components of employer expense</b>		
Current service cost	67.98	50.83
Interest cost	42.38	36.98
Expected return on plan assets	(32.68)	(30.05)
Actuarial losses / (gain)	(1.24)	73.88
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>76.44</b>	<b>131.64</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	(81.82)	(63.49)
Actual contributions	132.46	90.16
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	(589.63)	(560.60)
Fair value of plan assets	517.35	432.30
Funded status [Surplus / (Deficit)]	(72.28)	(128.30)
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(72.28)</b>	<b>(128.30)</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	560.60	463.34
Current service cost	67.98	50.83
Interest cost	42.38	36.98
Actuarial (gains) / losses	0.49	72.94
Benefits paid	(81.82)	(63.49)
<b>Present value of DBO at the end of the year</b>	<b>589.63</b>	<b>560.60</b>
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	432.30	376.51
Expected return on plan assets	32.68	30.05
Actual company contributions	132.46	90.16
Actuarial gain / (loss)	1.73	(0.93)
Benefits paid	(81.82)	(63.49)
<b>Plan assets at the end of the year</b>	<b>517.35</b>	<b>432.30</b>
Actual return on plan assets	34.41	29.11
<b>Composition of the plan assets is as follows:</b>		
Central Government Securities	22.94%	22.94%
State Government Securities	18.00%	18.00%
Govt. Guaranteed Securities	1.37%	1.37%
Debentures and Bonds	37.52%	37.52%
Equity Shares	4.69%	4.69%
Fixed Deposits	14.99%	14.99%
Money Market Instruments	0.49%	0.49%
<b>Actuarial assumptions</b>		
Discount rate	7.51%	7.56%
Expected return on plan assets	7.51%	7.56%
Salary escalation	6.00%	6.00%
Attrition	Employee Grade wise trend	
Estimated amount of contribution in the next year	₹144.78 Lacs	₹196.29 Lacs

## Notes forming part of the Standalone Financial Statements

### Note 23 EMPLOYEE BENEFIT PLANS (contd...)

₹ in Lacs

Experience adjustments	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Present value of DBO	589.63	560.60	463.34	375.53	382.77
Fair value of plan assets	517.35	432.30	376.51	345.55	356.20
Funded status (Deficit)	(72.28)	(128.30)	(86.83)	(29.98)	(26.57)
Experience gain / (loss) adjustments on plan liabilities	2.73	(34.34)	(46.14)	35.42	43.29
Experience gain / (loss) adjustments on plan assets	1.73	(0.93)	1.31	(1.41)	(2.33)

Notes :

- 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.
- The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

### Note 24 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" specified in Rule 7 of Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

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

₹ in Lacs

Revenue by location of geographical customer	For the year ended 31 March 2017	For the year ended 31 March 2016
India	20.47	16.86
Europe	11,196.46	11,691.49
USA	10,718.27	10,141.11
Rest of the World	421.07	554.41
	<b>22,356.27</b>	<b>22,403.87</b>

₹ in Lacs

Carrying amount of segment assets by geographical location	As at 31 March 2017	As at 31 March 2016
India	26,430.45	23,241.36
Europe	3,148.65	4,198.55
USA	6,085.35	1,915.74
Rest of the World	518.80	63.44
	<b>36,183.25</b>	<b>29,419.09</b>

₹ in Lacs

Cost incurred for purchase of property, plant and equipment by geographical location	As at 31 March 2017	As at 31 March 2016
India	589.04	690.26
USA	7.47	0.29
	<b>596.51</b>	<b>690.55</b>

## Notes forming part of the Standalone Financial Statements

### Note 25 RELATED PARTY TRANSACTIONS

In the normal course of business, the Company enters into transactions at arm's length with affiliated companies, its ultimate holding company and key management personnel. The names of related parties of the Company, as required to be disclosed under Accounting Standard 18 "Related Party Disclosures" is as follows:

#### a. Details of related parties:

Description of relationship	Names of related parties
(i) Holding company	ADI BPO Services Limited
(ii) Subsidiary Company	MPS North America LLC MAG+AB, Sweden **
(iii) Downstream Subsidiary Company	MagPlus Inc, USA
(iv) Company Under Common Control	ADI Media Private Limited
(v) Key management personnel (KMP)	Mr. Nishith Arora, Executive Chairman and Whole Time Director. Mr. Rahul Arora, Chief Executive Officer and Whole Time Director Ms. Yamini Tandon, Whole Time Director till 8 May 2015
(vi) Relatives of KMP	Ms. Yamini Tandon, Non- Executive Director of MPS Limited (w.e.f 3 August 2015) and Senior Vice President of MPS North America LLC (w.e.f 11 May 2015)

#### b. Details of related party transactions during year ended 31 March 2017 and balances outstanding as at 31 March 2017:

₹ in Lacs

Particulars	Holding Company	Subsidiary	Company Under Common Control (Refer note 3)	KMP	Total
<b>Rendering of services</b>					
MPS North America LLC	-	1,455.37	-	-	1,455.37
	(-)	(423.69)	(-)	(-)	(423.69)
<b>Rentals paid</b>					
ADI BPO Services Limited	160.20	-	-	-	160.20
	(305.49)	(-)	(-)	(-)	(305.49)
<b>Infrastructure charges</b>					
ADI BPO Services Limited	51.60	-	-	-	51.60
	(-)	(-)	(-)	(-)	(-)
<b>Reimbursement of expenses</b>					
ADI BPO Services Limited	122.64	-	-	-	122.64
	(-)	(-)	(-)	(-)	(-)
<b>Equity contribution</b>					
MPS North America LLC	-	1,833.43	-	-	1,833.43
MAG+AB, Sweden	-	449.26	-	-	449.26
	(-)	(639.20)	(-)	(-)	(639.20)
<b>Dividend</b>					
ADI BPO Services Limited	-	-	-	-	-
	(2,775.74)	(-)	(-)	(-)	(2,775.74)

## Notes forming part of the Standalone Financial Statements

### Note 25 RELATED PARTY TRANSACTIONS (contd...)

₹ in Lacs

Particulars	Holding Company	Subsidiary	Company Under Common Control (Refer note 3)	KMP	Total
<b>Remuneration to Key Management Personnel</b>					
Nishith Arora	-	-	-	53.34	53.34
	(-)	(-)	(-)	(69.09)	(69.09)
Rahul Arora	-	-	-	161.60	161.60
	(-)	(-)	(-)	(108.35)	(108.35)
Yamini Tandon	-	-	-	-	-
	(-)	(-)	(-)	(3.04)	(3.04)
<b>Balances outstanding as at 31 March 2017</b>					
<b>Security deposit placed</b>					
ADI BPO Services Limited	100.00	-	-	-	100.00
	(100.00)	(-)	(-)	(-)	(100.00)
<b>Trade receivable</b>					
MPS North America LLC	-	44.11	-	-	44.11
	(-)	(120.30)	(-)	(-)	(120.30)

#### Notes

1. No amount has been written off / written back during the year in respect of dues from / to related parties.
2. Figures in brackets relate to previous year
3. Rent free premises taken by the Company.

\*\* The Board of Directors of the Company at their meeting held on 25 January 2017 approved for liquidation of MAG+AB, Sweden, a subsidiary company. MAG+AB, vide approval of its shareholders at their meeting held on 16 February 2017, has filed for voluntary liquidation procedure in February 2017 and the same is in process as at the year ended 31 March 2017. On completion of the liquidation process, residual fund of MAG+AB will be disbursed to the Company in extinguishment of 100 percent shareholding of the Company in MAG+AB.

### Note 26 DETAILS OF LEASING ARRANGEMENTS

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>As Lessee</b>		
The Company has entered into cancellable and non-cancellable operating leases for office premises. Lease rentals recognised in respect of such operating leases in the Statement of Profit and Loss is:	426.32	550.80
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	211.80	-
- later than one year and not later than five years	211.80	-
- later than five years	-	-
	423.60	-

## Notes forming part of the Standalone Financial Statements

**Note 27** As required by Section 135 of the Companies Act 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The areas for CSR activities include imparting primary education to under privileged girls, computer education to underprivileged children and building intellect and instill higher values of life through education and any other area the Board may find appropriate. Gross amount required to be spent by the Company during the year was ₹170.53 Lacs.

Amount spent by the company on its CSR activities are as follows:

₹ in Lacs

Sr. No.	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
1	Promotion of education and skills	135.55	105.08
2	Health care	25.20	–
	<b>Total</b>	<b>160.75</b>	<b>105.08</b>

### **Note 28 EARNINGS PER EQUITY SHARE**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<u>Basic and Diluted</u>		
Net profit for the year attributable to the equity shareholders (₹ in Lacs)	6,950.09	7,052.51
Weighted average number of equity shares	18,616,926	18,616,926
Par value per share (₹)	10.00	10.00
Earnings per share - Basic and Diluted (₹)	<b>37.33</b>	<b>37.88</b>

### **Note 29 DEFERRED TAX (LIABILITY) / ASSETS**

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Tax effect of items constituting deferred tax liability on difference between book balance and tax balance of property, plant and equipment	(246.98)	(169.56)
Unrealized MTM gain receivable on forward covers	(69.27)	(17.77)
	<b>(316.25)</b>	<b>(187.33)</b>
Tax effect of items constituting deferred tax asset		
Provision for compensated absences, gratuity and other employee benefits	9.92	39.92
Provision for doubtful trade receivables / advances	35.98	29.33
Others	2.97	–
	<b>48.87</b>	<b>69.25</b>
<b>Deferred tax liabilities (net)</b>	<b>(267.38)</b>	<b>(118.08)</b>

### **Note 30 DETAILS OF PROVISIONS**

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

₹ in Lacs

Particulars	As at 01 April 2016	Additions	Utilisation	As at 31 March 2017
Provision for Service tax matter	144.63	4.83	–	149.46
	(139.39)	(5.24)	–	(144.63)
	<b>144.63</b>	<b>4.83</b>	<b>–</b>	<b>149.46</b>
	<b>(139.39)</b>	<b>(5.24)</b>	<b>–</b>	<b>(144.63)</b>

**Note:** Figures in brackets relate to the previous year.

## Notes forming part of the Standalone Financial Statements

### Note 30 DETAILS OF PROVISIONS (contd...)

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

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
Provision for service tax matter	149.46	144.63

### Note 31 DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD FROM 8 NOVEMBER 2016 TO 30 DECEMBER 2016 AS PROVIDED IN THE TABLE BELOW:

₹ in Lacs

Particulars	SBNs	Other denomination	Total
Closing cash in hand as on 08.11.2016	1.00	0.73	1.73
(+) Permitted receipts	–	2.64	2.64
(-) Permitted payments	–	2.85	2.85
(-) Amount deposited in Banks	1.00	–	1.00
<b>Closing cash in hand as on 30.12.2016</b>	<b>–</b>	<b>0.52</b>	<b>0.52</b>

Note 32 The Company during the year ended 31 March 2017, has given an advance of ₹428 Lacs to acquire group of assets including application platform business from Digital River, Inc. a company based in USA vide asset purchase agreement dated 3 February 2017. The customary condition for consummation of the said acquisition has been completed subsequent to year ended 31 March 2017, i.e. with effect from 1 April 2017.

### Note 33 DISCLOSURE AS PER PARA A OF SCHEDULE V OF THE LISTING REGULATIONS

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

### Note 34 PREVIOUS YEAR'S FIGURES

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

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W / W-100022

**Shashank Agarwal**

Partner

Membership Number: 095109

Place: Gurugram

Dated: 10 May 2017

For and on behalf of the Board of Directors of **MPS Limited**

**Rahul Arora**

Chief Executive Officer & Whole Time Director

DIN: 05353333

**Sunit Malhotra**

Chief Financial Officer

Place: Gurugram

Dated: 10 May 2017

**Vijay Sood**

Director

DIN: 01473455

**Hitesh Jain**

Company Secretary

# CONSOLIDATED FINANCIAL STATEMENTS



## Independent Auditor's Report

### To the Members of MPS Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **MPS Limited** ("the Company" or "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard) Amendment Rules, 2016. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose

of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹52,158,000 as at 31 March 2017, total revenues of ₹106,612,196 and net cash outflows amounting to ₹17,012,588 for the period ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors. Further, we draw attention to Note 2.1 of the Consolidated Financial Statements, wherein it has been explained that the Board of Directors of the Company at their meeting held on 25 January 2017 approved for liquidation of MAG+AB, Sweden, Subsidiary Company. MAG+AB, Sweden vide approval of its shareholders at their meeting held on 16 February 2017 has filed for liquidation, which is in process as at the year ended 31 March 2017. Accordingly, the assets and liabilities of the said Subsidiary Company has been shown at book value, which is not significantly different from its realizable value.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matter' paragraphs, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such

controls, refer to our separate Report in "Annexure A"; and

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of one subsidiary, as noted in the 'Other Matter' paragraph:

- i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer note 23.1 to the Consolidated Financial Statements;
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the

Investor Education and Protection Fund by the Company; and

- iv. The Group has provided requisite disclosures in the Consolidated Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Group and as produced to us by the Management.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm Registration No.: 101248W / W-100022

**Shashank Agarwal**

*Partner*

Place: Gurgaon

Date: 10 May 2017

Membership No.: 095109

## **Annexure A to the Independent Auditor's Report of even date on the Consolidated Financial Statements of MPS Limited for the year ended 31 March 2017**

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of MPS Limited (hereinafter referred to as "the Holding Company") as of that date. The Holding Company has subsidiary companies incorporated outside India and operating effectiveness of internal financial controls over financial reporting is not applicable to such subsidiary companies.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed

to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm Registration No.: 101248W / W-100022

**Shashank Agarwal**

*Partner*

Place: Gurgaon

Date: 10 May 2017

Membership No.: 095109

## Consolidated Balance Sheet

as at 31 March 2017

₹ in Lacs

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	1,861.69	1,861.69
Reserves and surplus	4	32,845.14	26,081.70
		<b>34,706.83</b>	<b>27,943.39</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	30	499.94	167.00
		<b>499.94</b>	<b>167.00</b>
<b>Current liabilities</b>			
Trade payables	5		
Outstanding dues of micro enterprises and small enterprises		2.66	-
Outstanding dues of creditors other than micro enterprises and small enterprises		1,193.99	830.49
Other current liabilities	6	1,254.09	1,138.71
Short-term provisions	7	368.20	422.31
		<b>2,818.94</b>	<b>2,391.51</b>
<b>TOTAL</b>		<b>38,025.71</b>	<b>30,501.90</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment			
Tangible assets	8.A	2,332.73	2,354.95
Intangible assets	8.B	2,406.93	1,228.64
Capital work-in-progress		-	5.85
		4,739.66	3,589.44
Long-term loans and advances	9	2,288.22	2,684.72
Other non-current assets	10	27.68	27.28
		<b>7,055.56</b>	<b>6,301.44</b>
<b>Current assets</b>			
Current investments	11	20,593.11	16,901.87
Trade receivables	12	6,015.36	4,496.55
Cash and cash equivalents	13	1,676.91	1,428.66
Short-term loans and advances	14	958.81	432.58
Other current assets	15	1,725.96	940.80
		<b>30,970.15</b>	<b>24,200.46</b>
<b>TOTAL</b>		<b>38,025.71</b>	<b>30,501.90</b>
<b>Significant accounting policies</b>	2		
The notes form an integral part of the financial statements	1-35		

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W / W-100022

**Shashank Agarwal**

Partner

Membership Number: 095109

Place: Gurugram

Dated: 10 May 2017

For and on behalf of the Board of Directors of **MPS Limited****Rahul Arora**

Chief Executive Officer &amp; Whole Time Director

DIN: 05353333

**Sunit Malhotra**

Chief Financial Officer

Place: Gurugram

Dated: 10 May 2017

**Vijay Sood**

Director

DIN: 01473455

**Hitesh Jain**

Company Secretary

## Consolidated Statement of Profit and Loss

for the year ended 31 March 2017

₹ in Lacs

Particulars	Note No.	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations (net)	16	28,870.13	25,720.99
Other income	17	2,019.63	1,836.34
<b>Total revenue</b>		<b>30,889.76</b>	<b>27,557.33</b>
<b>Expenses</b>			
Employee benefits expense	18	12,187.81	10,955.00
Finance costs	19	17.46	11.40
Depreciation and amortization expense	8A and 8B	667.90	412.16
Other expenses	20	7,373.58	5,664.30
<b>Total expenses</b>		<b>20,246.75</b>	<b>17,042.86</b>
<b>Profit before exceptional items and tax</b>		<b>10,643.01</b>	<b>10,514.47</b>
Exceptional items	21	411.40	–
<b>Profit before tax</b>		<b>10,231.61</b>	<b>10,514.47</b>
<b>Tax expense:</b>			
Current tax		3,166.56	3,534.83
Reversal of excess provision for tax relating to earlier years		(132.71)	(235.43)
Deferred tax charge		201.83	91.42
<b>Total tax expense</b>		<b>3,235.68</b>	<b>3,390.82</b>
<b>Profit for the year</b>		<b>6,995.93</b>	<b>7,123.65</b>
<b>Earnings per equity share (nominal value of share ₹10)</b> (previous year : ₹10)			
<b>Basic and Diluted</b> (earnings per equity share expressed in absolute amount in Indian rupees)	29	37.58	38.26
<b>Significant accounting policies</b>	2		
The notes form an integral part of the financial statements	1-35		

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W / W-100022

**Shashank Agarwal**

Partner

Membership Number: 095109

Place: Gurugram

Dated: 10 May 2017

For and on behalf of the Board of Directors of **MPS Limited**

**Rahul Arora**

Chief Executive Officer & Whole Time Director

DIN: 05353333

**Sunit Malhotra**

Chief Financial Officer

Place: Gurugram

Dated: 10 May 2017

**Vijay Sood**

Director

DIN: 01473455

**Hitesh Jain**

Company Secretary



## Consolidated Cash Flow Statement

for the year ended 31 March 2017

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>A. Cash flow from operating activities</b>		
Net Profit before tax	10,231.61	10,514.47
Adjustments for:		
Depreciation and amortisation expense	667.90	412.16
Interest income	(14.64)	(3.19)
Dividend income	(813.04)	(39.32)
Net gain on sale of current investments	(122.67)	(1,308.74)
Interest expense	17.46	11.40
Profit / (loss) on sale / disposal of fixed assets (net)	(592.20)	2.27
Loss on revaluation of Investment	3.74	-
Liabilities / Provisions no longer required written back	(190.94)	(73.71)
Provision for doubtful trade receivables / loans and advances	95.20	238.45
Bad debts written off	120.90	3.58
Loans and advances written off	11.53	0.10
Unrealised exchange difference (net)	(79.67)	(89.74)
Unrealised marked to market gain on forward contracts	(37.79)	(51.34)
<b>Operating cash flows before working capital changes</b>	<b>9,297.39</b>	<b>9,616.39</b>
(Increase) / decrease in trade receivables	(1,082.28)	(512.44)
(Increase) / decrease in short-term loans and advances	(256.27)	48.95
(Increase) / decrease in other current assets	(785.16)	(64.43)
(Increase) / decrease in long-term loans and advances	729.18	(739.94)
(Increase) / decrease in other non current assets	(0.40)	(9.60)
Increase / (decrease) in trade payables	(128.43)	(137.69)
Increase / (decrease) in other current liabilities	25.76	275.36
Increase / (decrease) in short term provisions	(64.83)	167.26
<b>Cash generated from operations</b>	<b>7,734.96</b>	<b>8,643.86</b>
Net income tax paid	(3,267.47)	(3,761.73)
<b>Net cash provided by operating activities (A)</b>	<b>4,467.49</b>	<b>4,882.13</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(579.99)	(686.04)
Proceeds from disposal of fixed assets	615.88	3.70
Acquisition of business <sup>#</sup>	(1,221.46)	-
Purchase of current investments	(14,489.32)	(39,740.66)
Proceeds from sale of current investments	10,917.01	40,051.21
Interest received	14.64	3.19
Dividends received-others	813.04	39.32
<b>Net cash used in investing activities (B)</b>	<b>(3,930.20)</b>	<b>(329.28)</b>

## Consolidated Cash Flow Statement

for the year ended 31 March 2017

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>C. Cash flow from financing activities</b>		
Finance cost	(14.61)	(11.40)
Interim dividend paid	–	(4,095.72)
Tax on dividend	–	(833.79)
<b>Net cash (used in) / flow from financing activities (C)</b>	<b>(14.61)</b>	<b>(4,940.91)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>522.67</b>	<b>(388.06)</b>
Impact on Cash Flow on account of Foreign Currency Translation	(232.49)	138.64
Effects of exchange differences on cash and cash equivalents held in foreign currency	(41.94)	31.98
Cash and cash equivalents at the beginning of the year	1,428.66	1,646.10
<b>Cash and cash equivalents at the end of the year*</b>	<b>1,676.91</b>	<b>1,428.66</b>
Components of cash and cash equivalents:		
Balances with banks		
- Current accounts	1,538.84	1,078.35
- EEFC accounts	33.07	290.31
- Demand deposit accounts (demand deposits and deposits having original maturity of 3 months or less)	105.00	60.00
	<b>1,676.91</b>	<b>1,428.66</b>
The notes form an integral part of the financial statements	1-35	

\* Net of cash and bank balance acquired vide share purchase agreement (refer note 22).

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W / W-100022

**Shashank Agarwal**

Partner

Membership Number: 095109

Place: Gurugram

Dated: 10 May 2017

For and on behalf of the Board of Directors of **MPS Limited**

**Rahul Arora**

Chief Executive Officer & Whole Time Director

DIN: 05353333

**Sunit Malhotra**

Chief Financial Officer

Place: Gurugram

Dated: 10 May 2017

**Vijay Sood**

Director

DIN: 01473455

**Hitesh Jain**

Company Secretary

## Notes forming part of the Consolidated Financial Statements

### 1: COMPANY OVERVIEW

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

The Company offers a diverse geographic spread with production facilities registered under the Software Technology Park of India (STPI) scheme in Chennai, Noida, Gurgaon and Bengaluru. The Company also operates with other production facilities in Dehradun and editorial and marketing offices in United States. The Company's multi location presence helps it in executing various customer requirements efficiently.

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

The Company has acquired MAG+AB, a company based in Sweden as wholly owned subsidiary of MPS Limited and the Company's wholly owned subsidiary, MPS North America LLC has acquired MagPlus Inc., a Company based in USA vide share purchase agreement dated 1 July 2016.

### 2: SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these consolidated financial statements

#### 2.1 Basis of preparation of consolidated financial statements

The Consolidated Financial Statements of the Company and its subsidiaries (referred to as "the Group") have been prepared under the historical cost convention on a going concern basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) except MAG+AB which has filed for liquidation vide approval of its shareholders at their meeting held on 16 February 2017. Liquidation proceedings are outstanding as at the year end 31 March 2017. Same has been reported at book value which is not significantly different from realizable value. Indian GAAP comprises mandatory accounting standards as specified under the section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Amendment Rules, 2016 and other accounting pronouncements of the Institute of Chartered Accountants of India.

#### 2.2 Principles of consolidation

The financial statements of the Company and its subsidiaries viz., MPS NA LLC, MagPlus Inc. and MAG+AB 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 subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.

#### 2.3 Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Examples of such estimates include the useful life and residual value of fixed assets, retirement benefits, income taxes, provision for doubtful debts and unbilled revenue. 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 / materialize. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 2.4 Current-Non-current classification

Based on the nature of services / activities the Group has determined its operating cycle as 12 months for the

## Notes forming part of the Consolidated Financial Statements

purpose of classification of its assets and liabilities as current and non-current.

All assets and liabilities are classified into current and non-current.

### Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- the group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

### 2.5 Cash and cash equivalents

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

### 2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before 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 group are segregated based on the available information.

### 2.7 Property, plant and equipment (tangible / intangible)

Property, plant and equipment are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of property, plant and equipment 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 property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the group.

Intangible assets that are acquired by the group 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, if any. Intangible assets comprise of software where it is expected to obtain future enduring economic benefits. Integrally generated intangible assets arising from development activities is recognized only on demonstration of its technical feasibility, the intention and ability of the group to complete, use or sell it and is amortized using straight line basis.

## Notes forming part of the Consolidated Financial Statements

The costs are capitalized in the year in which the relevant software is implemented for use.

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

### **Capital work-in-process**

Projects under which tangible property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### **2.8 Depreciation and amortisation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Part C of Schedule II to the Companies Act, except on intangible assets (computer software) which are amortized between 2 to 5 years based on the economic benefits that are expected to accrue to the group over such period.

Leasehold improvements are amortized on a straight line basis over the period of lease or their useful lives, whichever is shorter.

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

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

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

### **2.9 Revenue recognition**

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

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

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

### **2.10 Other income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Dividend income is accounted for when the right to receive it is established.

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

### **2.11 Foreign currency transactions and translations**

Transactions in foreign currencies entered into by the group 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 group 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 group are recognized as income or expense in the Statement of Profit and Loss.

## Notes forming part of the Consolidated Financial Statements

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 North America LLC, MAG+AB and MagPlus Inc. have 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.

Forward exchange contract relating to firm commitment and highly probable forecast transactions are mark to market and related gains / losses are recognized in the statement of profit and loss.

The group 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 above.

### **2.12 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.

### **2.13 Employee benefits**

Employee benefits include contribution to provident fund, superannuation fund, gratuity fund, compensated absences, employee state insurance scheme and 401(k) plan in U.S.A.

#### **Defined contribution plans**

The group'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**

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The scheme is funded with an insurance company in the form of a qualifying insurance policy. The gratuity benefit obligation recognized in the balance sheet represents the present value of the obligations as reduced by fair value of assets held by the Insurance Company. Actuarial gain / losses are recognized immediately in the statement of profit and loss account.

#### **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.

## Notes forming part of the Consolidated Financial Statements

### **Long-term employee benefits**

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

### **2.14 Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The total lease rentals in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss.

### **2.15 Earnings per share**

Basic earnings / (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings / (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, except where the result would be anti-dilutive.

### **2.16 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.

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 group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

### **2.17 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.

### **2.18 Provisions and contingencies**

A provision is recognised when the group 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.



## Notes forming part of the Consolidated Financial Statements

### Note 3 SHARE CAPITAL

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Amount in ₹ Lacs	Number of shares	Amount in ₹ Lacs
<b>(a) Authorised share capital</b>				
Equity shares of ₹10/- each with voting rights	20,000,000	2,000.00	20,000,000	2,000.00
<b>(b) Issued, subscribed and fully paid up share capital</b>				
Equity shares of ₹10/- each with voting rights (refer note (i) to (v) below)	18,616,926	1,861.69	18,616,926	1,861.69
<b>Total</b>		<b>1,861.69</b>		<b>1,861.69</b>

#### Notes:

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Amount in ₹ Lacs	Number of shares	Amount in ₹ Lacs
<b>Equity shares (with voting rights)</b>				
At the beginning of the year	18,616,926	1,861.69	18,616,926	1,861.69
Add: Issue during the year	–	–	–	–
<b>At the end of the year</b>	<b>18,616,926</b>	<b>1,861.69</b>	<b>18,616,926</b>	<b>1,861.69</b>

The group had raised ₹14,780 Lacs from Qualified Institutional Plan ('QIP') (net of issue expenses) during the year ended 31 March 2015. Out of the said proceeds, the Company has utilized a sum of ₹2,756 Lacs for acquisitions of companies and group of assets during the year ended 31 March 2017 (including advance consideration of ₹428 Lacs for acquisition of group of assets consummated on 1 April 2017. Also refer note no. 33) and the balance proceeds of ₹12,024 Lacs, pending utilization for the objects of QIP-growth opportunities such as acquisitions, strategic initiatives, general corporate purposes and any other purposes as may be permissible under applicable law, remains invested in interest / dividend bearing liquid instruments, including money market mutual funds.

#### (ii) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The equity share holders are entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amount, if any. 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:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Amount in ₹ Lacs	Number of shares	Amount in ₹ Lacs
<b>Equity shares of ₹10 each fully paid up and held by</b>				
ADI BPO Services Limited, the holding company	12,616,996	1,261.70	12,616,996	1,261.70

## Notes forming part of the Consolidated Financial Statements

### Note 3 SHARE CAPITAL

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

Class of shares / Name of shareholder	As at 31 March 2017		As at 31 March 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares of ₹10 each fully paid up and held by</b>				
ADI BPO Services Limited, the holding company	12,616,996	67.77%	12,616,996	67.77%
HDFC Mutual Fund (in different schemes)	1,004,047	5.39%	–	–

(v) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

There are no bonus shares issued and shares bought back during the period of five years immediately preceding the reporting date.

### Note 4 RESERVES AND SURPLUS

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
<b>(a) Securities premium account</b>		
At the commencement of the year and at the end of the year	<b>14,600.33</b>	<b>14,600.33</b>
<b>(b) Foreign currency translation reserve</b>		
At the commencement of the year	247.49	108.85
Add: Effect of foreign exchange rate variations during the year	(232.49)	138.64
<b>At the end of the year</b>	<b>15.00</b>	<b>247.49</b>
<b>(c) General reserve</b>		
At the commencement of the year	2,154.31	1,449.06
Add: Transferred from surplus in Statement of Profit and Loss	695.01	705.25
<b>At the end of the year</b>	<b>2,849.32</b>	<b>2,154.31</b>
<b>(d) Surplus in Statement of Profit and Loss</b>		
At the commencement of the year	9,079.57	7,590.68
Add: Profit for the year	6,995.93	7,123.64
Less: Interim dividend*	–	4,095.72
Less: Tax on Interim dividend	–	833.79
Less: Transferred to general reserve	695.01	705.25
<b>At the end of the year</b>	<b>15,380.49</b>	<b>9,079.57</b>
	<b>32,845.14</b>	<b>26,081.70</b>

\* For the year ended 31 March 2016, interim dividend of 220% i.e., ₹22 per fully paid up equity share had been recognised as distributions to equity shareholders.

## Notes forming part of the Consolidated Financial Statements

### Note 5 **TRADE PAYABLES** #

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Trade payables</b>		
(i) Outstanding dues of micro enterprises and small enterprises*	2.66	–
(ii) Outstanding dues of creditors other than micro enterprises and small enterprises	1,193.99	830.49
	<b>1,196.65</b>	<b>830.49</b>

\* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no over dues to parties on account of principal amount and / or interest. Accordingly, no additional disclosures are required.

# Refer note no 22

### Note 6 **OTHER CURRENT LIABILITIES**

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Income received in advance (Unearned revenue)	151.79	151.09
(b) Book overdraft	43.79	92.37
(c) Employee payable	400.73	357.23
(d) Other payables:		
(i) Statutory remittances*	248.74	132.82
(ii) Others	409.04	405.20
	<b>1,254.09</b>	<b>1,138.71</b>

\*(includes Tax deducted at Source, Provident Fund, Employee State Insurance and Sales Tax, etc)

### Note 7 **SHORT-TERM PROVISIONS**

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Provision for tax (net of advance tax of ₹3,160.84 Lacs (PY ₹9,017.74 Lacs)	127.81	115.64
(b) Provision for service tax (refer Note 31)	149.46	144.63
(c) Provision for compensated absences	18.65	33.40
(d) Provision for gratuity (refer Note 24.1.b)	72.28	128.64
	<b>368.20</b>	<b>422.31</b>

# Notes forming part of the Consolidated Financial Statements

## Note 8 PROPERTY, PLANT AND EQUIPMENT\*

### A. Tangible assets

(Owned)	Gross Block					Accumulated Depreciation			Net Block	
	Balance as at 1 April 2016	Addition on Acquisitions	Additions / Adjustments	Disposals / Adjustments	Effect of foreign currency exchange differences	Balance as at 31 March 2017	Balance as at 31 March 2016	Effect of foreign currency exchange differences	As at 31 March 2017	As at 31 March 2016
(a) Freehold land*	405.05 (405.05)	-	-	0.69	(-)	404.36 (405.05)	405.05 (405.05)	-	404.36 (405.05)	405.05 (405.05)
(b) Buildings*	1,430.41 (1,430.41)	-	-	29.49	-	1,400.92 (1,430.41)	1,035.90 (1,059.97)	-	993.67 (1,035.90)	1,035.90 (1,059.97)
(c) Plant and equipment	3,888.44 (3,586.34)	88.70	366.22 (576.92)	228.18 (279.79)	(6.12) (4.97)	4,109.06 (3,888.44)	855.06 (587.89)	(4.65) (1.70)	882.45 (855.06)	855.06 (587.89)
(d) Furniture and fixtures	376.58 (409.86)	-	17.10 (19.24)	0.13 (52.48)	(0.09) (0.04)	393.46 (376.58)	19.00 (32.90)	(0.40) (0.63)	26.30 (19.00)	19.00 (32.90)
(e) Vehicles	86.92 (86.92)	-	-	17.08	-	69.84 (86.92)	39.94 (53.11)	-	23.03 (39.94)	39.94 (53.11)
(f) Leasehold improvements	36.78 (41.18)	-	3.21	-	-	36.78 (29.56)	-	(0.06)	2.92 (-)	- (11.62)
<b>Total (A)</b>	<b>6,224.18</b>	<b>88.70</b>	<b>386.53</b>	<b>275.57</b>	<b>(6.21)</b>	<b>6,417.63</b>	<b>2,354.95</b>	<b>(5.11)</b>	<b>2,332.73</b>	<b>2,354.95</b>
Previous year	(5,959.76)	(-)	(596.16)	(336.67)	(4.93)	(6,224.18)	(2,150.54)	(2.33)	(2,354.95)	(2,150.54)

## Notes forming part of the Consolidated Financial Statements

### Note 8 PROPERTY, PLANT AND EQUIPMENT<sup>#</sup>

#### B. Intangible assets

B. Intangible assets		Gross Block					Accumulated Depreciation				Net Block				
		Balance as at 1 April 2016	Addition on Acquisitions	Additions / Adjustments	Disposals / Adjustments	Effect of foreign currency exchange differences	Balance as at 31 March 2017	Balance as at 1 April 2016	Addition on Acquisitions	For the Year	Disposals / Adjustments	Effect of foreign currency exchange differences	Balance as at 31 March 2017	As at 31 March 2016	As at 31 March 2017
(Owned)	Acquired														
	(a) Goodwill	1,123.63 (1,060.35)	- (-)	- (-)	- (-)	(47.12) (63.28)	1,076.51 (1,123.63)	- (-)	- (-)	- (-)	- (-)	- (-)	1,076.51 (1,123.63)	1,123.63 (1,060.35)	
	(b) Goodwill on Consolidation	- (-)	- (-)	606.67 (-)	- (-)	- (-)	606.67 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	606.67 (-)	- (-)	
	(c) Computer software	1,897.32 (1,805.81)	762.18 (-)	246.24 (89.88)	334.75 (-)	(85.89) (1.63)	2,485.10 (1,897.32)	1,792.31 (1,753.47)	193.21 (-)	244.85 (36.94)	334.75 (-)	(30.77) (1.90)	1,864.85 (1,792.31)	620.25 (105.01)	105.01 (52.34)
	(d) Other intangible assets	- (-)	- (-)	103.51 (-)	- (-)	- (-)	103.51 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	103.51 (-)	- (-)	
Total		3,020.95	762.18	956.42	334.75	(133.01)	4,271.79	1,792.31	193.21	244.85	334.75	(30.77)	1,864.85	2,406.93	1,228.64
Previous year		(2,866.16)	(-)	(89.88)	(-)	(64.91)	(3,020.95)	(1,753.47)	(-)	(36.94)	(-)	(1.90)	(1,792.31)	(1,228.64)	(1,112.69)
Total (A) ± (B)		9,245.13	850.88	1,342.95	610.32	(139.22)	10,689.42	5,661.54	242.66	667.90	586.47	(35.88)	5,949.75	4,739.66	3,583.59
Previous year		(8,825.92)	(-)	(686.04)	(336.67)	(69.84)	(9,245.13)	(5,562.69)	(-)	(412.16)	(317.53)	(2.33)	(5,661.54)	(3,263.23)	(2,777.80)

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

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

<sup>#</sup> Refer note no 22

Figures in brackets relate to previous year.

## Notes forming part of the Consolidated Financial Statements

### Note 9 LONG-TERM LOANS AND ADVANCES

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Security deposits		
Unsecured, considered good (Refer Note (i) below)	243.67	279.31
(b) Prepaid expenses - Unsecured, considered good	13.48	9.15
(c) Advance income tax (net of provisions of ₹4,403.35 (Previous year: ₹1,242.77 Lacs))	658.73	412.93
(d) Balances with government authorities - Unsecured, considered good		
(i) Service tax credit receivable	1,281.95	1,946.80
(ii) Others	90.39	36.53
	<b>2,288.22</b>	<b>2,684.72</b>

Note (i):

Includes ₹100 Lacs (Previous year: ₹100 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.

### Note 10 OTHER NON-CURRENT ASSETS

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
Balances held as margin money or security against guarantees	27.68	27.28
	<b>27.68</b>	<b>27.28</b>

## Notes forming part of the Consolidated Financial Statements

### Note 11 CURRENT INVESTMENTS

Particulars	As at 31 March 2017		As at 31 March 2016	
	Units in '000	Amount in ₹ Lacs	Units in '000	Amount in ₹ Lacs
<b>Investment in mutual funds (unquoted fully paid up)</b>				
Kotak Liquid Scheme Plan A - Direct Plan - Daily Dividend*	16.95	207.24	17.07	208.73
Birla Sun Life Cash Plus - Growth - Direct Plan	–	–	61.71	150.00
ICICI Prudential Liquid - Direct Plan Growth	–	–	89.25	200.00
Reliance Liquid Fund - Treasury Plan - Direct Growth Plan - Growth Option	–	–	5.42	200.00
TATA Money Market Fund - Direct Plan - Daily Dividend Reinvestment	85.61	857.41	–	–
Reliance Liquid Fund - Treasury Plan - Direct Plan - Weekly Dividend Reinvestment	43.35	663.40	–	–
DHFL Pramerica Insta Cash Plus Fund - Direct Plan - Weekly Dividend - Reinvestment	251.17	252.63	–	–
Axis Liquid Fund - Direct Plan - Weekly Dividend Reinvestment	100.64	1,008.67	–	–
TATA Liquid Fund - Direct Plan - Weekly Dividend Reinvestment	55.09	551.44	–	–
DSP Blackrock Liquidity Fund - Direct Plan - Weekly Dividend Reinvestment	35.35	353.87	–	–
Kotak Floater Short Term - Direct Plan - Weekly Dividend - Reinvestment	45.33	463.46	–	–
Birla Sun Life Savings Fund - Regular Plan - Weekly Dividend - Reinvestment	2,038.39	2,043.96	1,926.11	1,931.08
HDFC Liquid Fund - Weekly Dividend - Reinvestment	230.57	2,378.75	158.84	1,640.13
HDFC Liquid Fund - Weekly Dividend - Reinvestment	96.25	993.16	219.99	2,269.68
ICICI Prudential Liquid - Weekly Dividend - Reinvestment	1,686.65	1,690.75	1,608.56	1,613.64
ICICI Prudential Flexible Income - Regular Plan - Weekly Dividend Reinvestment	1,935.56	2,042.37	1,827.37	1,928.30
Reliance Liquid Fund - Treasury Plan - Dividend Weekly - Reinvestment	110.51	1,691.17	105.33	1,611.89
Axis Liquid Fund - Dividend Weekly - Reinvestment	168.64	1,689.92	160.84	1,611.74
Kotak Liquid Scheme Plan A - (Regular Plan) Dividend Weekly Reinvestment	168.84	1,689.83	161.06	1,613.05
DSP Black Rock - Liquidity Fund - Institutional Plan - Dividend Weekly Reinvestment	201.36	2,015.08	192.22	1,923.63
	<b>7,270.26</b>	<b>20,593.11</b>	<b>6,533.77</b>	<b>16,901.87</b>
Aggregate market value (NAV) of investments		20,598.50		16,914.08

\*Out of the same mutual fund units i.e., 16,355.7773 with an NAV of ₹1,222.81 as at 31 March 2017 (Previous year: Units 16,355.7773 as at NAV of ₹1,222.81) have been pledged with Kotak Mahindra Bank Limited as a security towards hedging facilities availed by the Group.

## Notes forming part of the Consolidated Financial Statements

### Note 12 TRADE RECEIVABLES (UNSECURED)\*

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
Trade receivable for a period exceeding six months:		
Considered good	125.04	14.83
Doubtful	84.70	20.90
	<b>209.74</b>	<b>35.73</b>
Less: Provision for doubtful trade receivables	84.70	20.90
	<b>125.04</b>	<b>14.83</b>
Other Trade receivables:		
Considered good	5,890.32	4,481.72
Doubtful	–	14.76
	<b>5,890.32</b>	<b>4,496.48</b>
Less: Provision for doubtful trade receivables	–	14.76
	<b>5,890.32</b>	<b>4,481.72</b>
	<b>6,015.36</b>	<b>4,496.55</b>

# Refer note no 22

### Note 13 CASH AND CASH EQUIVALENTS #

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
Balances with banks		
(i) In current accounts	1,538.84	1,078.35
(ii) In EEFC accounts	33.07	290.31
(iii) In demand deposit accounts (demand deposits and deposits having original maturity of 3 months or less)	105.00	60.00
<b>Total Cash and cash equivalents</b>	<b>1,676.91</b>	<b>1,428.66</b>
<b>Details of bank balances / deposits</b>		
Bank balances available on demand / deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	105.00	60.00
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 10)	27.68	27.28
	<b>132.68</b>	<b>87.28</b>

# Refer note no 22



## Notes forming part of the Consolidated Financial Statements

### Note 14 SHORT-TERM LOANS AND ADVANCES

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Security deposits		
Unsecured, considered good	20.46	1.13
Doubtful	1.13	1.27
	21.59	2.40
Less: Provision for doubtful deposits	1.13	1.27
	20.46	1.13
(b) Loans and advances to employees		
Unsecured, considered good	5.64	15.67
Doubtful	25.14	19.40
	30.78	35.07
Less: Provision for doubtful loans and advances	25.14	19.40
	5.64	15.67
(c) Prepaid expenses - Unsecured, considered good	249.08	229.53
(d) Balances with government authorities - Unsecured, considered good		
(i) VAT credit receivable	17.11	7.67
(e) Unrealized MTM gain receivable on forward covers	200.15	162.36
(f) Others		
Unsecured, considered good (refer note 33)	466.37	16.22
	<b>958.81</b>	<b>432.58</b>

### Note 15 OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Interest accrued on deposits	0.60	0.47
(b) Unbilled revenue	1,725.36	940.33
	<b>1,725.96</b>	<b>940.80</b>

### Note 16 REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of services		
(i) Exports (earnings in foreign currency)	28,849.66	25,704.13
(ii) Domestic	20.47	16.86
	<b>28,870.13</b>	<b>25,720.99</b>

## Notes forming part of the Consolidated Financial Statements

### Note 17 OTHER INCOME

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a) Interest income from banks on deposits and others	14.64	3.19
(b) Dividend Income from current investments (mutual funds)	813.04	39.32
(c) Net gain on sale of current investments	122.67	1,308.74
(d) MTM and Net gain on foreign currency transactions and translation	203.34	407.75
(e) Other non-operating income (refer note (i) below)	865.94	77.34
	<b>2,019.63</b>	<b>1,836.34</b>

#### Note (i) Other non-operating income comprises:

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a) Rental income from operating leases	32.98	-
(b) Liabilities no longer required written back	190.94	57.95
(c) Provision on advances no longer required written back	-	15.76
(d) Bad debts and advances recovered	2.20	0.06
(e) Profit on sale / disposal of fixed assets (net)*	592.20	-
(f) Miscellaneous income	47.62	3.57
	<b>865.94</b>	<b>77.34</b>

\*During the current year, the Company has sold its property on second floor of Bridge Towers located in Bengaluru for a consideration of ₹610 Lacs and accounted for a pre tax profit of ₹591 Lacs.

### Note 18 EMPLOYEE BENEFITS EXPENSE

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Salaries and wages	10,983.90	9,866.61
Contributions to provident and other funds (refer note no 24.1.a)	719.81	627.95
Staff welfare expenses	484.10	460.44
	<b>12,187.81</b>	<b>10,955.00</b>

### Note 19 FINANCE COSTS

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest expense on:		
Income tax and Service tax	17.46	11.40
	<b>17.46</b>	<b>11.40</b>

## Notes forming part of the Consolidated Financial Statements

### Note 20 OTHER EXPENSES

₹ in Lacs

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
Consumables		29.26		24.74
Outsourcing cost		3,225.96		2,097.20
Power and fuel		533.65		419.29
Loss on foreign currency transactions		8.65		-
Rent (refer note 27)		657.44		660.39
Hire charges		11.89		18.32
Repairs and maintenance - buildings		301.53		275.75
Repairs and maintenance - plant and machinery		217.49		265.40
Repairs and maintenance - others		6.52		5.08
Insurance		36.00		39.54
Rates and taxes		49.34		47.96
Communication		385.06		331.87
Travelling and conveyance		577.53		565.51
Expenditure on corporate social responsibility (refer note 28)		160.75		105.08
Legal and professional		296.32		217.56
Directors sitting fees		21.40		19.40
Commission to non-executive directors		58.60		60.60
Payments to auditors (refer note (i) below)		48.51		52.85
Bad debts written off	124.71		12.80	
Less: Provision utilised for the above	3.80		9.22	
		120.91		3.58
Advances written off	11.54		120.05	
Less: Provision utilised for the above	-		120.00	
		11.54		0.05
Provision for doubtful trade and other receivables, loans and advances		60.10		36.34
Loss on fixed assets sold, scrapped & written off (net)	-		15.50	
Less: Provision utilised for the above	-		13.22	
		-		2.28
Loss on revaluation of current investment		3.74		-
Miscellaneous expenses		551.39		415.52
		<b>7,373.58</b>		<b>5,664.30</b>

### Note (i)

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Payments to the auditors comprises (net of service tax input credit, where applicable):		
To Statutory auditors:		
(i) For statutory audit	24.65	25.00
(ii) For tax audit	2.00	3.00
(iii) For other services #	18.00	20.50
(iv) Reimbursement of expenses	3.86	4.35
	<b>48.51</b>	<b>52.85</b>

# includes ₹3.50 Lacs in financial year 2016-17, paid to erstwhile statutory auditors for limited review for the quarter ended 30 June 2016.

## Notes forming part of the Consolidated Financial Statements

### Note 21 EXCEPTIONAL ITEMS\*

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Employee related severance pay	404.45	–
Other expenses	6.95	–
	<b>411.40</b>	<b>–</b>

\*The group during the year ended 31 March 2017, has decided to re-structure part of its operations. Accordingly, an amount of ₹411.40 Lacs pertaining to severance pay and other expenses have been disclosed as an exceptional item.

### Note 22 ACQUISITION OF SUBSIDIARIES

The Group had acquired MAG+AB, a Company based in Sweden and MagPlus Inc., a Company based in USA vide share purchase agreement dated 1 July 2016. MagPlus Inc. had been acquired through MPS North America LLC.

In accordance with the share purchase agreement, the group has paid a purchase consideration of ₹1,726.01 lacs, against which the following assets and liabilities have been recorded by the group as at 1 July 2016.

₹ in Lacs

Particulars	As at 1 July 2016		
	Mag Plus Inc.	MAG+AB	Total
Property, plant and equipment			
- Tangible assets	40.75	3.22	43.97
- Intangible assets	38.52	525.71	564.23
- Other intangible assets	–	103.51	103.51
Accounts receivables	490.22	5.50	495.72
Cash	222.25	282.30	504.55
Other assets	52.55	287.82	340.37
Accounts payables	(97.01)	(221.48)	(318.49)
Deferred tax liabilities	–	(151.74)	(151.74)
Other payables	(40.88)	(385.98)	(426.86)
<b>Net Assets</b>	<b>706.40</b>	<b>448.86</b>	<b>1,155.26</b>
<b>Purchase consideration</b>	<b>1,277.15</b>	<b>448.86</b>	<b>1,726.01</b>
<b>Goodwill on consolidation</b>	<b>570.75</b>	<b>–</b>	<b>570.75</b>

Further, the Board of Directors of the Company at their meeting held on 25 January 2017 approved for liquidation of MAG+AB, Sweden, a subsidiary company. MAG+AB, vide approval of its shareholders at their meeting held on 16 February 2017, has filed for voluntary liquidation procedure in February 2017 and the same is in process as at the year ended 31 March 2017.

The above assets have been recorded at book value which is not significantly different from fair value except other intangibles assets which have been fair valued on provisional basis as at the acquisition date.

## Notes forming part of the Consolidated Financial Statements

### Note 23.1 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
(i) Contingent liabilities		
Claims against the Company not acknowledged as debts		
(a) Income tax	657.42	702.80
(b) Service tax	288.25	266.70
(c) Employee State Insurance (ESI) and Provident Fund (PF)	6.59	6.59
(d) Other claims	239.82	211.02

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. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and (net of advances) not provided for	68.42	25.73
	<b>68.42</b>	<b>25.73</b>

### Note 23.2 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	Amount in ₹ (Lacs)
USD	48 (72)	Sell	3,342.95 (5,031.86)
GBP	– (8)	Sell	– (846.42)

Note: Figures in brackets relate to previous year.

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

As at 31 March 2017		As at 31 March 2016	
Receivable in Foreign currency	Receivable Amt in ₹ Lacs	Receivable in Foreign currency	Receivable Amt in ₹ Lacs
AUD 8,458	4.19	AUD 237,092	120.18
EUR 1,37,016	94.94	GBP 5,56,814	529.53
GBP 19,29,514	1,561.03	EUR 67,344	50.75
CAD 55,244	26.84	USD 14,87,765	985.35
SGD 3,409	1.58	–	–
USD 33,14,277	2,137.31	–	–
SEK 2,04,940	14.84	–	–
	<b>3,840.73</b>		<b>1,685.81</b>

## Notes forming part of the Consolidated Financial Statements

Note 23.2 (contd...)

As at 31 March 2017		As at 31 March 2016	
Payable in Foreign currency	Payable Amt in ₹ Lacs	Payable in Foreign currency	Payable Amt in ₹ Lacs
EUR 1,542	1.07	–	–
GBP 20,139	16.29	GBP 7,050	6.70
USD 7,69,306	615.62	USD 6,60,331	437.33
SEK 2,18,669	15.83	–	–
	<b>648.81</b>		<b>444.03</b>

Note 23.3 Value of imports calculated on CIF basis:

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Capital goods	108.68	78.83

Note 23.4 Expenditure in foreign currency:

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Outsourcing cost	451.10	678.05
Salaries, wages and bonus	374.37	315.09
Rates and taxes	0.18	0.18
Rent	24.20	8.79
Legal and professional charges	26.71	38.17
Repairs and maintenance - Plant and machinery	34.31	25.03
Travelling and conveyance	72.02	99.79
Communication	149.16	106.09
Others	130.67	210.47
	<b>1,262.72</b>	<b>1,481.66</b>

Note 23.5 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Note 23.6 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

### Note 24 EMPLOYEE BENEFIT PLANS

#### 24.1.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 ₹450.80 Lacs (Previous year ₹427.12 Lacs) for Provident Fund contributions, ₹169.79 Lacs (Previous year ₹111.92 Lacs) for 401(k) plan, ₹6.30 Lacs (Previous year ₹6.30 Lacs) for Superannuation Fund contributions and ₹92.92 Lacs (Previous year ₹82.62 Lacs) for ESI in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

## Notes forming part of the Consolidated Financial Statements

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

#### 24.1.b. Defined benefit plans

The Company offers the following employee benefit scheme to its employees:

##### i. Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

	₹ in Lacs	
Particulars	As at 31 March 2017	As at 31 March 2016
<b>Components of employer expense</b>		
Current service cost	67.98	50.83
Interest cost	42.38	36.98
Expected return on plan assets	(32.68)	(30.05)
Actuarial losses / (gain)	(1.24)	73.88
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>76.44</b>	<b>131.64</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	(81.82)	(63.49)
Actual contributions	132.46	90.16
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	(589.63)	(560.60)
Fair value of plan assets	517.35	432.30
Funded status [Surplus / (Deficit)]	(72.28)	(128.30)
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(72.28)</b>	<b>(128.30)</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	560.60	463.34
Current service cost	67.98	50.83
Interest cost	42.38	36.98
Actuarial (gains) / losses	0.49	72.94
Benefits paid	(81.82)	(63.49)
<b>Present value of DBO at the end of the year</b>	<b>589.63</b>	<b>560.60</b>
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	432.30	376.51
Expected return on plan assets	32.68	30.05
Actual company contributions	132.46	90.16
Actuarial gain / (loss)	1.73	(0.93)
Benefits paid	(81.82)	(63.49)
<b>Plan assets at the end of the year</b>	<b>517.35</b>	<b>432.30</b>
Actual return on plan assets	33.72	29.11
<b>Composition of the plan assets is as follows:</b>		
Central Government Securities	22.94%	22.94%
State Government Securities	18.00%	18.00%
Govt. Guaranteed Securities	1.37%	1.37%
Debentures and Bonds	37.52%	37.52%
Equity Shares	4.69%	4.69%
Fixed Deposits	14.99%	14.99%
Money Market Instruments	0.49%	0.49%
<b>Actuarial assumptions</b>		
Discount rate	7.51%	7.56%
Expected return on plan assets	7.51%	7.56%
Salary escalation	6.00%	6.00%
Attrition	Employee Grade wise trend	
Estimated amount of contribution in the next year	₹144.78 Lacs	₹196.29 Lacs

## Notes forming part of the Consolidated Financial Statements

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

₹ in Lacs

Experience adjustments	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Present value of DBO	589.63	560.60	463.34	375.53	382.77
Fair value of plan assets	517.35	432.30	376.51	345.55	356.20
Funded status [Surplus / (Deficit)]	(72.28)	(128.30)	(86.83)	(29.98)	(26.57)
Experience gain / (loss) adjustments on plan liabilities	2.73	(34.34)	(46.14)	35.42	43.29
Experience gain / (loss) adjustments on plan assets	1.73	(0.93)	1.31	(1.41)	(2.33)

#### Notes :

- 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.
- The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

### Note 25 SEGMENT INFORMATION

The Group operates in one business segment of providing publishing solutions viz., typesetting and data digitization services and is considered to constitute a single segment in the context of primary segment reporting as prescribed by Accounting Standard 17 - "Segment Reporting" specified in Rule 7 of Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

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

Details of secondary segment by geographical locations are given below:

₹ in Lacs

Revenue by location of geographical customer	For the year ended 31 March 2017	For the year ended 31 March 2016
India	20.47	16.86
Europe	11,196.46	11,691.49
USA	16,275.74	13,458.23
Rest of the World	1,377.46	554.41
<b>Total</b>	<b>28,870.13</b>	<b>25,720.99</b>

₹ in Lacs

Carrying amount of segment assets by geographical location	As at 31 March 2017	As at 31 March 2016
India	26,430.46	20,810.46
Europe	3,148.69	4,198.55
USA	7,139.14	5,017.47
Rest of the World	648.69	62.49
<b>Total</b>	<b>37,366.98</b>	<b>30,088.97</b>

₹ in Lacs

Cost incurred for purchase of property, plant and equipment by geographical location	As at 31 March 2017	As at 31 March 2016
India	589.04	690.26
USA	179.46	1.63
Rest of the World	709.30	-
<b>Total</b>	<b>1,477.80</b>	<b>691.89</b>



## Notes forming part of the consolidated Financial Statements

### Note 26 RELATED PARTY TRANSACTIONS

In the normal course of business, the Company enters into transactions at arm's length with affiliated companies, its ultimate holding company and key management personnel. The names of related parties of the Company, as required to be disclosed under Accounting Standard 18 "Related Party Disclosures" is as follows:

#### a. Details of related parties:

Description of relationship	Names of related parties
(i) Holding company	ADI BPO Services Limited
(ii) Company Under Common Control	ADI Media Private Limited
(iii) Subsidiary Company	MPS North America LLC MAG+AB, Sweden **
(iv) Downstream Subsidiary Company	MagPlus Inc, USA
(v) Key management personnel (KMP)	Mr. Nishith Arora, Executive Chairman and Whole Time Director. Mr. Rahul Arora, Chief Executive Officer and Whole Time Director Ms. Yamini Tandon, Whole Time Director till 8 May 2015
(vi) Relatives of KMP	Ms. Yamini Tandon, Non-Executive Director of MPS Limited (w.e.f 3 August 2015) and Senior Vice President of MPS North America LLC (w.e.f 11 May 2015)

#### b. Details of related party transactions during year ended 31 March 2017 and balances outstanding as at 31 March 2017:

₹ in Lacs

Particulars	Holding Company	Company Under Common Control (Refer note 3)	KMP	Relatives of KMP	Total
<b>Rentals paid</b>					
ADI BPO Services Limited	160.20 (305.49)	- (-)	- (-)	- (-)	160.20 (305.49)
<b>Infrastructure charges</b>					
ADI BPO Services Limited	51.60 (-)	- (-)	- (-)	- (-)	51.60 (-)
<b>Reimbursement of expenses</b>					
ADI BPO Services Limited	122.64 (-)	- (-)	- (-)	- (-)	122.64 (-)
<b>Dividend</b>					
ADI BPO Services Limited	- (2,775.74)	- (-)	- (-)	- (-)	- (2,775.74)
<b>Remuneration to key management personnel</b>					
Nishith Arora	- (-)	- (-)	53.34 (69.09)	- (-)	53.34 (69.09)
Rahul Arora	- (-)	- (-)	161.60 (108.35)	- (-)	161.60 (108.35)
Yamini Tandon	- (-)	- (-)	- (3.04)	89.67 (74.73)	89.67 (77.78)

## Notes forming part of the Consolidated Financial Statements

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

₹ in Lacs

Particulars	Holding Company	Company Under Common Control (Refer note 3)	KMP	Relatives of KMP	Total
<b>Balances outstanding as at 31 March 2017</b>					
<b>Security deposit placed</b>					
ADI BPO Services Limited	100.00	-	-	-	100.00
	(100.00)	(-)	(-)	(-)	(100.00)

#### Notes

1. No amount has been written off / written back during the year in respect of dues from / to related parties.
2. Figures in brackets relate to previous year.
3. Rent free premises taken by the company.

\*\* The Board of Directors of the Company at their meeting held on 25 January 2017 approved for liquidation of MAG+AB, Sweden, a subsidiary company. MAG+AB, vide approval of its shareholders at their meeting held on 16 February 2017, has filed for voluntary liquidation procedure in February 2017 and the same is in process as at the year ended 31 March 2017. On completion of the liquidation process, residual fund of MAG+AB will be disbursed to the Company in extinguishment of 100 percent shareholding of the Company in MAG+AB.

### Note 27 DETAILS OF LEASING ARRANGEMENTS

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<u>As Lessee</u>		
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:	657.44	660.39
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	211.80	-
later than one year and not later than five years	211.80	-
later than five years	-	-
	423.60	-

Note 28 As required by Section 135 of the Companies Act 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The areas for CSR activities include imparting primary education to under privileged girls, computer education to underprivileged children and building intellect and instill higher values of life through education and any other area the Board may find appropriate. Gross amount required to be spent by the Company during the year was ₹170.53 Lacs.

Amount spent by the group on its CSR activities are as follows:

₹ in Lacs

Sr. No.	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
1	Promotion of education and skills	135.55	105.08
2	Health care	25.20	-
	<b>Total</b>	<b>160.75</b>	<b>105.08</b>

## Notes forming part of the Consolidated Financial Statements

### Note 29 EARNINGS PER EQUITY SHARE

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<u>Basic and Diluted</u>		
Net profit for the year attributable to the equity shareholders (₹ in Lacs)	6,995.93	7,123.65
Weighted average number of equity shares	18,616,926	18,616,926
Par value per share (₹)	10.00	10.00
Earnings per share - Basic and Diluted (₹)	<b>37.58</b>	<b>38.26</b>

### Note 30 DEFERRED TAX (LIABILITY) / ASSETS\*

₹ in Lacs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of property, plant and equipment	(464.80)	(218.07)
Unrealized MTM gain receivable on forward covers	(69.27)	(17.79)
	<b>(534.07)</b>	<b>(235.86)</b>
Tax effect of items constituting deferred tax asset		
Provision for compensated absences, gratuity and other employee benefits	11.71	39.92
Provision for doubtful trade receivables / advances	40.21	29.92
Others	(17.79)	(0.98)
	<b>34.13</b>	<b>68.86</b>
<b>Deferred tax liabilities ( net )</b>	<b>(499.94)</b>	<b>(167.00)</b>

# Refer note no 22

### Note 31 DETAILS OF PROVISIONS

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

₹ in Lacs

Particulars	As at 01 April 2016	Additions	Utilisation	As at 31 March 2017
Provision for Service tax matter	144.63	4.83	-	149.46
	(139.39)	(5.24)	(-)	(144.63)
<b>Total</b>	<b>144.63</b>	<b>4.83</b>	<b>-</b>	<b>149.46</b>
	<b>(139.39)</b>	<b>(5.24)</b>	<b>-</b>	<b>(144.63)</b>

**Note:** Figures in brackets relate to the previous year.

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

₹ in Lacs

Particulars	As at 31 March 2017	As at 31 March 2016
Provision for service tax matter	149.46	144.63

## Notes forming part of the Consolidated Financial Statements

**Note 32 DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD FROM 8 NOVEMBER 2016 TO 30 DECEMBER 2016 AS PROVIDED IN THE TABLE BELOW:** ₹ in Lacs

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1.00	0.73	1.73
(+) Permitted receipts	–	2.64	2.64
(-) Permitted payments	–	2.85	2.85
(-) Amount deposited in Banks	1.00	–	1.00
<b>Closing cash in hand as on 30.12.2016</b>	<b>–</b>	<b>0.52</b>	<b>0.52</b>

**Note 33** The Group during the year ended 31 March 2017, has given an advance of ₹428 Lacs to acquire group of assets including application platform business from Digital River, Inc. a company based in USA vide asset purchase agreement dated 3 February 2017. The customary condition for consummation of the said acquisition has been completed subsequent to year ended 31 March 2017, i.e. with effect from 1 April 2017.

**Note 34 DISCLOSURE AS PER PARA A OF SCHEDULE V OF THE LISTING REGULATIONS**

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

**Note 35 PREVIOUS YEAR'S FIGURES**

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

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W / W-100022

**Shashank Agarwal**

Partner

Membership Number: 095109

Place: Gurugram

Dated: 10 May 2017

For and on behalf of the Board of Directors of **MPS Limited**

**Rahul Arora**

Chief Executive Officer & Whole Time Director

DIN: 05353333

**Sunit Malhotra**

Chief Financial Officer

Place: Gurugram

Dated: 10 May 2017

**Vijay Sood**

Director

DIN: 01473455

**Hitesh Jain**

Company Secretary

## Form AOC – 1

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

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

(₹ in Lacs)

Name of the subsidiary	MPS North America LLC, USA	MAG+AB, Sweden	MagPlus Inc., USA
Reporting period for the subsidiary concerned	Financial Year 2016-17	Period July 01, 2016 to March 31, 2017	Period July 01, 2016 to March 31, 2017
Reporting currency and exchange rate as on the Financial Year ended on March 31, 2017	₹64.85 = USD 1	₹7.24 = SEK 1	₹64.85 = USD 1
Share capital	4,213.59	8.21	706.40
Reserves & surplus	516.21	272.66	(149.06)
Total assets	5,306.51	521.57	798.97
Total Liabilities	5,306.51	521.57	798.97
Investments	1,269.26	Nil	Nil
Turnover	6,354.63*	956.39*	1,614.83*
Profit / (loss) before taxation	273.60*	(25.97)*	(125.84)*
Provision for taxation	67.36*#	–	–#
Profit / (loss) after taxation	206.24*	(25.97)*	(125.84)*
Proposed Dividend	Nil	Nil	Nil
% of shareholding	100%	100%	100%

\*Converted at monthly average exchange rates.

#MPS North America LLC has opted for Group Corporate Tax filings therefore provision for Taxation for combined group has been considered in MPS North America LLC.

For and on behalf of the Board of Directors of **MPS Limited**

**Rahul Arora**

Chief Executive Officer & Whole Time Director  
DIN: 05353333

**Vijay Sood**

Director  
DIN: 01473455

**Sunit Malhotra**

Chief Financial Officer

Place: Gurugram  
Dated: 10 May 2017

**Hitesh Jain**

Company Secretary

# Notice

NOTICE is hereby given that the 47th ANNUAL GENERAL MEETING OF THE MEMBERS OF MPS LIMITED (MPS or the Company) will be held on **Wednesday, July 19, 2017 at 3.00 p.m.** at The Raintree Hotels, 636 Anna Salai, Teynampet, Chennai - 600 035, Tamil Nadu to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider, and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 including Balance Sheet as at March 31, 2017 and Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, both on standalone and consolidated basis, along with the Reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Mr. Rahul Arora (DIN: 05353333), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to convey assent or dissent to the following **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, pursuant to the recommendation of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the Members at the Annual General Meeting (the **"AGM"**) held on July 19, 2016, the appointment of M/s BSR & Co. LLP (Firm Registration No.: 101248W/W-100022), Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of this AGM (being the second of five years of their appointment) till the conclusion of the next AGM, at such remuneration as is determined by the Board of Directors of the Company, be and is hereby ratified."

## SPECIAL BUSINESS

4. To consider and, if thought fit, to convey assent or dissent to the following **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the applicable provisions, if any, of the Companies Act, 2013 (the **"Act"**) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s)

or re-enactment thereof, for the time being in force), Mr. Nishith Arora (DIN: 00227593), who was appointed as an Additional Director of the Company with effect from May 15, 2017 pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

5. To consider and, if thought fit, to convey assent or dissent to the following **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013, (the **"Act"**) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act, (including any amendment thereto or re-enactment thereof for the time being in force), and subject to such approvals, consents, sanctions and permissions, as may be required or necessary under any applicable provisions of laws, if any, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **"Board"** which term shall be deemed to include, unless the context otherwise requires, any committee of Directors constituted, by the Board) or any principal officer of the Company to invest / acquire by way of subscription, purchase or otherwise, the securities of any other body(ies) corporate(s), in India or outside India, from time to time in one or more tranches as the Board or the said principal officer of the Company in its / his absolute discretion deems beneficial and in the interest of the Company, for an amount not exceeding ₹500 crores, in excess of the limits prescribed under Section 186 of the Act outstanding at any time notwithstanding that the aggregate of loans, guarantees, securities and investments so far made, along with the loans, guarantee, security or investments proposed to be made or given by the Board may exceed sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above the Board / and / or any person

authorized by the Board from time to time, be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, consents, sanctions and permissions, statutory or otherwise, in relation to the above, and to settle and resolve all matters, questions, difficulties or doubts that may arise in regard to such investment / acquisition or incidental thereto and to finalise, sign and execute all agreements, deeds, applications, documents, returns, forms and writings

that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution, without being required to seek any further consent or approval of the members to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution."

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By Order of the Board

Place: Gurugram  
Date: May 10, 2017

**Hitesh Kumar Jain**  
DGM - Legal & Company Secretary

**Registered Office:**

RR Towers IV, Super A,  
16/17, T V K Industrial Estate,  
Guindy, Chennai - 600 032, Tamil Nadu  
CIN: L22122TN1970PLC005795  
E-mail: [investors@adi-mps.com](mailto:investors@adi-mps.com)

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## Notes

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), setting out the material facts concerning the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

A blank proxy form is enclosed herewith. The instrument of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the AGM.

Proxies submitted on behalf of corporates (limited companies, societies etc.), must be supported by appropriate resolutions / authority, as applicable.

3. Corporate members intending to send their duly authorised representatives to attend the AGM are requested to send a certified copy of the board resolution together with their specimen signatures to the Company, authorising their representative to attend and vote on their behalf at the AGM.
4. Members are requested to bring their copies of the Annual Report at the time of attending the AGM as no copy of Annual Report shall be made available at the AGM venue.
5. Members / Proxies / Authorised Representatives should bring and handover the duly signed attendance slips at the entrance of the AGM venue to record their attendance. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
6. In terms of Section 152 of the Act, Mr. Rahul Arora (DIN: 05353333) retires by rotation at the AGM and being eligible, offers himself for re-appointment. The Board of

Directors commends his re-appointment.

Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, name of the companies in which they hold Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships between Directors *inter-se* as stipulated under Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, are provided in the Annexure to this Notice.

7. All relevant documents referred to in the accompanying Notice and statement under Section 102 of the Act shall be available for inspection at the Registered Office of the Company on all working days during business hours (10:00 a.m. to 5:00 p.m.) up to the date of the AGM and at the AGM venue during the meeting.
8. Members desiring any information regarding the Financial Statements are requested to write to the Company at least 7 days before the AGM, so as to enable the management to keep the information ready.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from **Monday, July 17, 2017 to Wednesday, July 19, 2017** (both days inclusive) for the purpose of the AGM.
10. As per the provisions of Section 124 of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, ("**IEPF Rules, 2016**"), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("**IEPF**"), constituted by the Central Government. Further, as per IEPF Rules 2016, shares in respect of which shareholders do not claim any unclaimed / unpaid dividends for the past consecutive seven years, the Company will be required to transfer the respective shares to the IEPF Suspense Account by the due date prescribed as per the IEPF Rules, 2016 or such other extended date as may be notified.

The Company has been sending reminders to those Members having unpaid / unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid / unclaimed dividend are also uploaded on the website of the Company viz. [www.adi-mps.com](http://www.adi-mps.com) under "Investors Section". Details of the unpaid / unclaimed dividend

updated as on the date of last AGM held on July 19, 2016, were also uploaded on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in).

Members, who have not yet encashed their dividend pertaining to the period starting from the financial year ended December 31, 2010, are advised to write to the Company or its Registrar and Share Transfer Agent, Cameo Corporate Services Limited ("**RTA**"), immediately claiming their un-encashed dividends. All amounts transferred to the Unpaid / Unclaimed Dividend Account of the Company for dividends declared prior to the financial year ended December 31, 2010 and remaining unclaimed for a period of seven years from the date of such transfer, has been transferred to the IEPF. Members shall not be able to prefer their claims with the Company / RTA in respect of their un-encashed dividend with regard to the above dividend.

11. Members are advised to avail the Electronic Clearing Service ("**ECS**") facility for receiving dividends. To avail this facility, members holding shares in demat mode are requested to provide the details to National Securities Depository Limited ("**NSDL**") and Central Depository Services (India) Limited ("**CDSL**"), as the case may be, through their respective Depository Participant ("**DP**"). Members holding shares in physical form, are requested to contact the Company's RTA, Cameo Corporate Services Limited, Subramanian Building, 1, Club House Road, Chennai 600 002.
  - i. Members holding shares in the demat mode are requested to notify any change in their address / bank account details / ECS particulars to their respective DP and ensure that such changes are recorded by them correctly.
  - ii. Members holding shares in physical form are requested to notify immediately any change in their address / bank account details / ECS particulars to the Company's RTA.
12. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act are requested to write to the Company's RTA.
13. The Securities and Exchange Board of India ("**SEBI**") has made Permanent Account Number ("**PAN**") as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transaction and has mandated the submission of PAN by



every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their DP with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN to the Company / RTA.

14. Electronic copy of the Notice of the 47th AGM of the Company *inter alia* indicating the process and manner of remote e-voting along with Attendance Slip, Proxy Form and the Annual Report of the Company for the financial year 2016-17 is being sent to all the Members whose e-mail ids are registered with the Company / DP for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of the Notice of the 47th AGM of the Company *inter alia* indicating the process and manner of remote e-voting along with Attendance Slip, Proxy Form and the Annual Report of the Company for the financial year 2016-17 is being sent through permitted mode of dispatch.

15. Members, who have not registered their e-mail address so far, are requested to register their e-mail address with the Company's RTA / DP for receiving all communications including Annual Reports, Notices, etc. from the Company electronically.

16. Members may also note that the Notice of the 47th AGM and the Annual Report for the financial year 2016-17 is also available on the Company's website [www.adi-mps.com](http://www.adi-mps.com) for downloading. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the Members may also send requests to the Company's RTA.

#### 17. Voting through electronic means

i. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide

Members facility to exercise their right to vote at the 47th AGM by electronic means and the business mentioned in the Notice may be transacted through remote e-voting. The facility of casting the votes by the Members using an electronic voting system from a place other than the venue of the AGM (remote e-voting) will be provided by CDSL.

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

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

**Instructions for Members for voting electronically are as under:**

#### A. In case of Members receiving e-mail:

(i) The voting period begins on Sunday, July 16, 2017 (9:00 AM) (IST) and ends on Tuesday, July 18, 2017, (5:00 PM) (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, July 12, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) The Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

(iv) Click on Shareholders.

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID;

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

c. Members holding shares in physical form should enter Folio Number registered with the Company.

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

(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

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

1	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>■ Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>■ In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>■ If both the details are not recorded with the Depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the

resolutions contained in this Notice.

- (xii) Click on the EVSN '170613011' of MPS Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (x) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xi) **Shareholders can also cast their vote electronically using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after June 30, 2017. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xii) **Note for Non – Individual Shareholders and Custodians:**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created, using the admin login and password. The compliance user would be able to

link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

**B. In case of Members receiving the physical copy:**

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

(xxi) **In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).**

18. The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on the **cut-off date, i.e., Wednesday, July 12, 2017.**
19. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
20. Any person, who becomes member of the Company after the dispatch of the Notice of the AGM and would be holding shares of the Company as on the cut-off date, may obtain the User ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or

[investor@cameoindia.com](mailto:investor@cameoindia.com).

21. Mr. R Sridharan, Practicing Company Secretary (Membership No. FCS 4775) of R Sridharan & Associates, Company Secretaries, Chennai, has been appointed as the Scrutinizer to scrutinize the voting process, (remote e-voting and physical voting) in a fair and transparent manner.
22. The Chairman shall at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer by use of ballot paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
23. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make within 48 hours from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the Result of the voting forthwith.
24. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website, [www.adi-mps.com](http://www.adi-mps.com) and on the website of CDSL immediately after the results are declared and communicated to the Stock Exchanges where the shares of the Company are listed, viz. BSE Limited and National Stock Exchange of India Limited.
25. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM, i.e., Wednesday, July 19, 2017.

#### STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

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

**Item no. 4:**

The Board of Directors (the "**Board**") on the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 161 of the Companies Act, 2013 (the "**Act**") and Articles of Association of the Company, have appointed Mr. Nishith Arora as an Additional Director (Non-Executive) of the Company, w.e.f. May 15, 2017. As an

Additional Director, Mr. Nishith Arora would hold office of Director upto the date of 47th Annual General Meeting of the Company. The Company has received a Notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Nishith Arora for the office of Director (Non-Executive), liable to retire by rotation.

Mr. Nishith Arora is an Economics Graduate from Delhi University and also an Alumni of IIM, Ahmedabad. Mr. Arora

has also completed the 3-year Owner President Management program at Harvard Business School in 2009. Under his leadership, the Company has grown tremendously.

Additional Information, required under Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India, is given in Annexure to this Notice.

The Board is of the opinion that Mr. Nishith Arora's expertise and experience will be beneficial to the Company.

None of the Directors and Key Managerial Personnel and any of their relatives is concerned or interested in the passing of this resolution, except Mr. Nishith Arora himself insofar as it relates to his appointment, Mr. Rahul Arora, son, and Ms. Yamini Tandon, daughter-in-law, being related to Mr. Nishith Arora.

The Board recommends the Ordinary Resolution at Item no. 4 of the accompanying Notice, for the approval of the Members.

#### Item no. 5

The Company has in recent past years made couple of acquisitions. These acquisitions have strengthened some of the service areas of the Company. To tap the potential growth opportunities in Publishing Industry, the Company keeps considering various acquisition opportunities. In order to achieve long term strategic and business objectives, the Board of Directors (the **"Board"**) of the Company proposes to make optimum use of funds available with the Company by making investment in other bodies corporate as and when required.

Pursuant to the provisions of Section 186(3) of the Companies Act, 2013 (the **"Act"**) read with the Companies (Meetings of Board and its Powers) Rules, 2014 (the **"Rules"**), as amended, no company shall, directly or indirectly (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by

way of subscription, purchase or otherwise, the securities of any other body corporate; exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. The Company needs to obtain prior approval of members by way of special resolution in case the amount of investment, loan, guarantee or security already made alongwith the amount of investment, loan, guarantee or security proposed to be made, is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board proposes to obtain approval of Members by way of special resolution as set out in the accompanying Notice for an amount not exceeding ₹500 Crores (Rupees Five Hundred Crores) over and above the limits available to the Company under Section 186 of the Act, outstanding at any point of time, notwithstanding that such investments, outstanding loans given or to be given and guarantees and securities provided are in excess of the limits prescribed under Section 186 of the Act.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the passing of this resolution.

The Board recommends the Special Resolution set out at Item no. 5 of the accompanying Notice for approval of the Members.

By Order of the Board

Place: Gurugram

Hitesh Kumar Jain

Date: May 10, 2017

DGM - Legal & Company Secretary

#### Registered Office:

RR Towers IV, Super A,  
16/17, T V K Industrial Estate,  
Guindy, Chennai - 600 032, Tamil Nadu

CIN: L22122TN1970PLC005795

Email: [investors@adi-mps.com](mailto:investors@adi-mps.com)

## Annexure

(For Items No. 2 & 4)

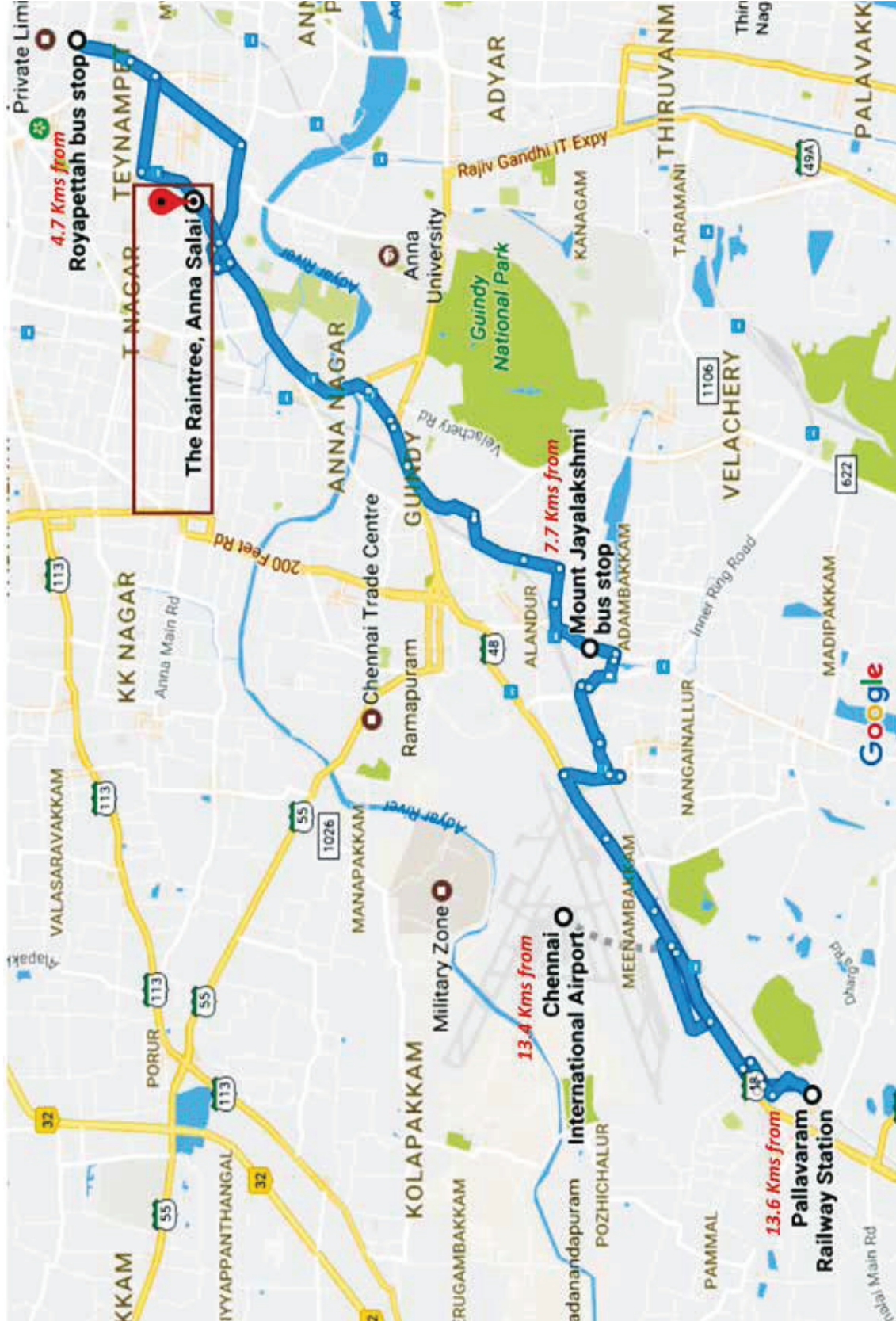
DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AND SECRETARIAL STANDARD ON GENERAL MEETINGS:

Particulars	Mr. Nishith Arora	Mr. Rahul Arora
Date of Appointment	May 15, 2017	August 12, 2013
Age	60 Years	32 Years
Last gross remuneration (paid during the financial year 2016-17)	₹53.34 lacs	(During the financial year 2016-17, Mr. Rahul Arora was not paid any salary from the Company instead he received ₹161.60 lacs as salary from the US branch of the Company.
Qualifications	Graduation in Economics from Delhi University, PGDBM from IIM, Ahmedabad and 3-year Owner President Management program at Harvard Business School.	Bachelor's in Science from Babson College, USA and a Post Graduate Programme in Management from the Indian School of Business, Hyderabad
Expertise in specific functional area	Mr. Arora is an entrepreneur based in India with long years of experience in international and domestic outsourcing. Founder of International Typesetting and Composition (subsequently sold and renamed as Glyph) and ADI BPO Services Limited. He is also a co-founder of ADI Media Private Limited, a leading B2B magazine publisher.	Mr. Rahul Arora is currently Chief Executive Officer and a Whole Time Director of the Company. He is focused on leading the organization towards its next phase of growth.  He has had an entrepreneurial career that started after his undergraduate days at Babson College, USA. After his entrepreneurial stint at Babson, he successfully led the transformation of his family's print restricted publishing business to a larger, professionally driven B2B media business.  Mr. Rahul Arora was responsible for leading and significantly growing some of Gallup's most innovative consulting partnerships in the Asia Pacific region. Within the limited time he spent at Gallup, he was recognized for his achievements with accolades such as Rising Star in India and Most Valuable Player in the 2011 global cohort of new hires.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Rahul Arora – Son Ms. Yamini Tandon – Daughter-in-law	Mr. Nishith Arora – Father Ms. Yamini Tandon – Spouse
Number of Meetings of the Board attended during the year	4 Meetings	4 Meetings
Directorships held in other Public Limited Companies in India	ADI BPO Services Limited	ADI BPO Services Limited
*Chairmanships / Memberships of Committees in other Public Limited Companies in India.	NIL	NIL
Shareholding in the Company (No. of shares)	NIL	NIL

\*Committees considered for the purpose are those prescribed in Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, viz. Audit Committee and Stakeholders' Relationship Committee.



# ROUTE MAP FOR THE VENUE OF THE ANNUAL GENERAL MEETING



## MPS Limited

Registered Office: RR Towers IV, Super A, 16/17 Thiru-vi-ka Industrial Estate,  
Guindy, Chennai – 600 032, Tamil Nadu  
Phone: +91- 44-49162222, Fax: +91-44-49162225  
Corporate Office: C-35, Sector 62, Noida – 201 307, U.P.  
Phone: +91-120-4599754; CIN: L22122TN1970PLC005795,  
Email ID: investors@adi-mps.com, Website: www.adi-mps.com

### ATTENDANCE SLIP

Name and Address:		
Joint Holders:		
Email-Id:		
Folio No./DP ID:		Client ID:

I/We hereby certify that I/We am/are registered Member/Proxy for the registered Member of the Company and hereby record my/our presence at the 47th Annual General Meeting of the Company held on Wednesday, July 19, 2017 at 3:00 p.m. at The Raintree Hotels, 636 Anna Salai, Teynampet, Chennai – 600 035, Tamil Nadu or at any adjournment thereof in respect of such resolutions as mentioned in the Notice.

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

NOTE: Members/Proxies to Members are requested to fill in the details, sign and handover this slip at the entrance of the venue of the Annual General Meeting.



## MPS Limited

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Email ID: investors@adi-mps.com, Website: www.adi-mps.com

### PROXY FORM

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

Name and Address:		
Joint Holders:		
Email-Id:		
Folio No./DP ID:		Client ID:

I/We, being the Member(s), of ..... shares of the above named Company, hereby appoint :

- Name: ..... Address: .....  
E-mail Id: ..... Signature: ....., or failing him/her;
- Name: ..... Address: .....  
E-mail Id: ..... Signature: ....., or failing him/her;
- Name: ..... Address: .....  
E-mail Id: ..... Signature: ....., or failing him/her;

As my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 47th Annual General Meeting of the Company to be held on Wednesday, July 19, 2017 at 3:00 p.m. at The Raintree Hotels, 636 Anna Salai, Teynampet, Chennai – 600 035, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Sr. No.	Resolutions	*Optional	
		For	Against
1.	Receive, consider and adopt the Audited Financial Statement (Standalone and Consolidated), Reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Mr. Rahul Arora, who retires by rotation.		
3.	Ratification of appointment of Statutory Auditors and fixing their remuneration.		
4.	Appointment of Mr. Nishith Arora as a Non – Executive Director of the Company.		
5.	Authorizing Board of Directors for Investments under Section 186 of the Companies Act, 2013.		

Signed this..... day of..... 2017

Signature of shareholder:.....

Affix ₹ 1  
Revenue  
Stamp

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

**Notes:**

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

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 47th Annual General Meeting.

\*It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.







# Smart, cloud-based digital publishing platform

# MPS

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



**digi edit**

Intuitive Online Editing

**digi comp**

Automated Composition

**digi XML**

Multi-Format Transformation

**digi enhance**

Engaging Media-Based Content Enhancement

**digi ready**

Distribution and Delivery

**MPS trak**

Workflow Management

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

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

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

- » Interactivities such as activities, exercises, animations, and simulations
- » Multimedia processing, audio/video editing, closed captioning, and content integration
- » FlashHTML5 output to support popular operating systems and devices
- » Native, Web, and hybrid apps for Android & iOS mobiles and tablets

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

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

## Highly Intuitive User Interface

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

## Reduce Time-to-Market

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

## Savings through Streamlined Workflows

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

## Drive Change by the Business

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

# MPS

**MPS Limited**

CIN: L22122TN1970PLC005795  
C-35, Sector 62, Noida 201 307, Uttar Pradesh, INDIA  
Tel: +91 120 4021 200 Fax: +91 120 4021 280  
Website: [www.adi-mps.com](http://www.adi-mps.com)

For further information or to schedule a demo on Digicore please contact:  
[marketing@adi-mps.com](mailto:marketing@adi-mps.com) or meet us at Stand 7H48



## **MPS LIMITED**

### **REGISTERED OFFICE:**

RR Towers IV, Super A, 16/17, TVK Industrial Estate,  
Guindy, Chennai - 600 032, Tamil Nadu, India

CIN: L22122TN1970PLC005795

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