MPS

MPS Limited
C - 35, Sector- 62, Noida- 201 307, Uttar Pradesh (INDIA)
Tel: +91 120 4599 750

Date: July 01, 2019

National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
Scrip Code: MPSLTD	**Scrip Code:** 532440

Dear Sir/ Madam,

Subject: Regulation 34 - Annual Report for the Financial Year 2018-19

Pursuant to Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for the financial year 2018-19 along with Notice of the 49th Annual General Meeting scheduled to be held on July 24, 2019.

Please take the above on record.

Thanking you,

Yours faithfully,

For **MPS Limited**

Sunit Malhotra
CFO & Company Secretary

Encl: As above

49TH
ANNUAL REPORT
2018-19

LEVERAGE
DIVERSIFY
AND DISRUPT

MPS Limited

CONTENTS

KEY INFORMATION

Chairman & Non-Executive Director
Mr. Nishith Arora

Independent Director
Mr. Vijay Sood

Independent Director
Mr. Ambarish Raghuvanshi

Independent Director
Mr. Sunil Shah

CEO & Managing Director
Mr. Rahul Arora

Non-Executive Director
Ms. Yamini Tandon

CFO & Company Secretary
Mr. Sunit Malhotra

Compliance Officer
Ms. Shiwani Dayal

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

Subsidiaries

MPS Interactive Systems Limited

Corporate Office
The Great Oasis, D-13, 2nd Floor, Marol Industrial Estate, Andheri (E), Mumbai – 400 093

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

MPS North America LLC
5728 Major Boulevard, Suite 528, Orlando, FL – 32819, USA

TOPSIM GmbH
Neckarhalde 55
72070 Tübingen

MPS Europa AG
Lindenstrasse 14,
6340 Baar, Switzerland

Other Indian Offices

- HMG Ambassador, 137 Residency Road, Bengaluru – 560 025, Karnataka
- 33, IT Park, Sahastradhara Road, Dehradun – 248 001, Uttarakhand
- GRM Tech Building, 2nd Floor, Plot No. DH-6/29, Premises No. 03-0315, Action Area – 1, Rajarhat, New Town, Kolkata – 700 156, West Bengal

Other Global Offices

- PO BOX-1189-Effingham IL – 62401
- 477 Madison Ave 6th Floor New York – 10022
- 1822 E NC 54 Hwy Suite-120, Durham, NC – 27713
- 320, Regus Business Centre Old Orchard Towers 5250, Old Orchard Road Skokie, Illinois 60077 USA
- 260 Sterling Road Toronto ON, M6R, 2B9 Canada
- 2001 to 2005, 20th Floor Jumeirah Bay X-3 Tower Cluster X, JLT P.O Box 120933, Dubai, United Arab Emirates

Registrar and Share Transfer Agent

Cameo Corporate Services Limited
Subramanian Building, 1 Club House Road, Chennai – 600 002

LEVERAGE

This growth strategy will include expansion of our core through development of new products, capabilities, and business models by capitalizing on our domain knowledge, data capital, IP, and rich experience gained over our 49-year history as a market pioneer.

DIVERSIFY

Growth through diversification will be our strong emphasis as we scale our business into new industries, geographies, content types, and technology forms. We now consider content as global and all encompassing and our focus on powering content will bind this strategy.

DISRUPT

Innovation is at the heart of everything that we do and while sustaining innovations have powered the continuous improvement in our operating model, disruptive innovation will power our growth in areas where the market is consolidating.

VISION **2023**

Business Transformation through Smarter Publishing and Learning

MPS' objective is to power the differentiation and competitiveness of our customers through smarter publishing and learning.

We will transform learning by making it transparent, real-time, and focused on the learning outcome.

Through the successful execution of this vision, we will grow to be the undisputed market leader by 2023, loved and admired by all our stakeholders.

OUR **VALUES**

EXCELLENCE
EMPATHY
EFFICIENCY

Our ambitions will be powered by our core values that we call the Triple E. These Triple E values define who we are today and will shape our future. They are principles that we will not compromise on but are tools that we will depend on.

Excellence is a way of life. It means respecting our colleagues, owning our responsibilities, and committing our best to our customers. Excellence is the simplicity in committing our best to every interaction, deliverable, and decision.

Empathy is caring. It means caring to understand things deeply, absorbing the unwritten, and going the extra mile for people who depend on us. While Empathy is intuitive, we believe it can be developed intellectually through impactful learning programs.

Efficiency is who we are. It means driving automation, smarter workflows, innovative operating models, and not allowing any job to be grunt work at MPS.

THE **WORLD** OF MPS LIMITED

12 reasons

why the Company commands global traction, respect, and visibility

Premiership Status

Macmillan established MPS as the first publishing outsourcing company in 1970. The early years were focused on offshoring mechanical activities to India to unlock value derived through wage arbitrage. As MPS expanded with more customers, the complexity of outsourced activities increased and the business evolved to be more knowledge driven. Always known to be a pioneer in bringing innovation to the marketplace, MPS went through another acceleration phase after the acquisition by ADI in 2011-12. During this phase, the business and its identity went through a series of evolutions that significantly scaled the scope and value associated with the business. Today, MPS is positioned as a market leader as a result of the thoughtful and significant reinvestments in its business, and by ensuring that all acquisitions completed were even more premier assets than the core business to grow its legacy of being the most innovative brand in its markets.

Leadership

Branded as MPS One, the senior management team at MPS is a unique combination of diverse talents and experience that complement each other, and yet have a similar style of authentic leadership. MPS One developed Vision 2023 of *Making Learning Smarter* powered by the Triple E values of *Excellence, Efficiency, and Empathy* to lead MPS through its next phase of growth. Rahul Arora is CEO and Managing Director of MPS and is supported by Sunit Malhotra, CFO and CS; Narendra Kumar, CTO; Yamini Arora, CMO; Rajesh Pankaj, SVP of Learning Solutions; Srinivas Rao, VP of Operational Excellence; and Harsh Gupta, VP of Growth. Led by Nishith Arora who is the Chairman of MPS, the Board of Directors nurture and support MPS One in their leadership of the organization. The leadership structure has allowed MPS to be highly customer focused, uniquely efficient, and enviably ahead of its competitors. Additionally, in the last three years, there have been several investments to upgrade the management quality and bandwidth at MPS.

Successful Acquisition Machine

MPS made six acquisitions in six years. All our acquisitions have added new and meaningful capabilities that have allowed us to be a better and growing partner to our customers. Diversification of our customer base has been another important consequence of our inorganic strategy. Since we have consistently acquired premier assets that were known to be leaders in their respective areas, the integration of these acquisitions has been highly successful and relatively smooth. In combination, all acquisitions have fulfilled all key financial criteria including High Return on Invested Capital, Impressive Payback Period, and Steady Growth.

2013-15: The Company acquired Element LLC, Electronic Publishing Services Inc (EPS), and TSI Evolve (USA) through MPS North America LLC. These acquisitions strengthened MPS' content and media asset development offerings for educational purposes.

2016-17: The Company acquired Mag+, a leading mobile platform company for creating and distributing content apps; and THINK Subscription, a leading order management and customer service platform company focused on the Academic and STM Publishing market. These acquisitions jump-started our platforms business segment that is nearly 20 percent of our business today. The acquisition of Mag+ allowed us to be a trusted mobile strategy advisor to our customers and expanded our reach into newer publishing markets including enterprises and magazine publishers. The acquisition of THINK led to the development of a comprehensive platform suite called THINK360 for content hosting, distribution, and fulfillment through integration of THINK with other MPS platforms including ScholarStor and MPS Insight.

2018-19: The acquisition of Tata Interactive Systems Group[1] was our definitive expansion into the Enterprise Learning market after the initial launch through Mag+ in 2016. The group pioneered innovations in the Enterprise Learning space through high-end custom eLearning delivery including web-based learning, simulations, serious games, custom apps, and micro learning. The acquisition gave us access to relationships with more than 70 Fortune 500 companies - partnerships that have resulted in more than 100 prestigious global awards. Additionally, the acquisition has given us dedicated operations in Europe and access to customers in new geographies such as India, Middle East, and Africa among expansion in existing geographies. We are now unlocking the true potential of this acquisition by driving the same innovative and customer focussed spirit that has made us successful in other acquisitions. All entities are now profitable and will soon graduate from a phase of consolidation to growth.

Global Footprint

Over 2,500 associates power MPS across seven delivery centers in India, two subsidiaries in Europe, and five client servicing offices in the US. We have fully embraced the gig economy and an additional 20 percent of our workforce is a combination of freelancers and independent contractors that are developed, on-boarded, managed, and partnered with by leveraging on smart workflows and our proprietary and market leading platforms. What we lose in economies of scale in our diversity and spread in operating model, we more than gain through productivity and stability.

Knowledge Capital

MPS has a multigenerational workforce of 2,536 niche experts who excel in their domain. As on 31 March 2019, 97 percent of the Company's employees were located in India and 3 percent across international operations while 74 percent of the Company's senior management was located in India and 26 percent across international geographies in marketing and strategic functions.

Operational Excellence

The Center of Operational Excellence at MPS is an independently governed entity outside of operations that focuses on improving efficiency and effectiveness of the processes, and keeping them customer focused, responsive, adaptive, and future ready. The Company has an auditing framework in place to ensure that planned arrangements are implemented and complied with. MPS utilizes Machine Learning and Natural Language Processing to adapt these concepts appropriately in the processes, along with implementations such as Content Profiling and Cognitive Quality Control, and real-time analytics for predictive monitoring to their credit.

Business Segments

Content Solutions

This is our largest business segment that accounted for 64 percent of our revenue in FY19 and that includes Content Authoring and Development, Content Assembly, Content Transformation, and Content Fulfillment. Our value proposition in this business is Operational Excellence and our strategy here is to play the role of a *consolidator* for publishers and pass on efficiencies gained from scale and automation in savings to customers.

[1] Tata Interactive Systems Group includes Tata Interactive Systems India (now MPS Interactive), Tata Interactive Systems AG (now MPS Europa AG), and Tata Interactive Systems GmBH (now TOPSIM GmBH).

Platform Solutions

The growth of the Company's platform business is being driven by customers switching away from other third-party providers, homegrown systems, and legacy technology. The underlying value proposition of the platform business is product leadership, achieved through active customer groups and committees, flexible engineering, dedicated and highly responsive support, intuitive user experience powered by domain expertise, scalable architecture, and highly secure hosted environments.

eLearning Solutions

eLearning is the newest addition to the MPS business model. The company entered the business through the acquisition of Tata Interactive Systems in 2018. The eLearning Solutions business is driven out of MPS Interactive and MPS Europa. They include learning solutions such as CyberTest, Learning Planet® Enterprise (LPE), Gamification and Serious Games, Simulations, LEARNow™, QuizBiz, Custom Development, Managed Learning Services, Mobile Learning, Micro Learning, and AR/VR/Mixed Reality. This acquisition enhanced scale, scope, and skill. Our aspiration in this business is to play the role of a *disruptor* by introducing automation and tool-based development to *make learning smarter*.

Financial Performance

Total Cash and Cash Equivalents (including investment in Mutual funds) as on 31-March 2019 was INR 288.73 Crores. We achieved a record-breaking EPS of INR 40.83 per share, for the year under review. The company reported 36 percent growth in revenues and 8 percent increase in profit after tax. While Content Solutions accounted for 64 percent of revenues, Platform Solutions accounted for 17 percent of revenues, and eLearning Solutions accounted for 19 percent of revenues.

Growing Customer Base

At the time of the Company's acquisition in 2011, the customer base primarily comprised of science and scholarly publishers in the UK and Europe. Following the acquisitions, the MPS customer base expanded globally in geographic and market presence. Nearly 51 percent of the Company's revenues are now derived from the US, 41 percent from Europe and 8 percent from the rest of the world. MPS has opened its platforms and content solutions to the global enterprise market; the transition from publishing solutions to platforms, content, and eLearning solutions allows MPS to diversify its customer base, increasing the number of billed clients by 59 percent.

Valuation

MPS Limited's shares are listed and actively traded on the NSE and BSE. The market capitalization of MPS Limited on NSE was INR 887.65 Crores and on BSE was INR 892.22 Crores as on March 31, 2019.

Certifications

MPS Limited is respected for addressing the highest standards for process, quality, and data security. The Company is certified for the following certifications:

- ISO 9001:2008 (Quality Management System)
- ISO/IEC 27001:2013 (Information Security Management System)
- PCI-DSS (Secure Credit Card Processing Environment)
- COUNTER 5 Compliant

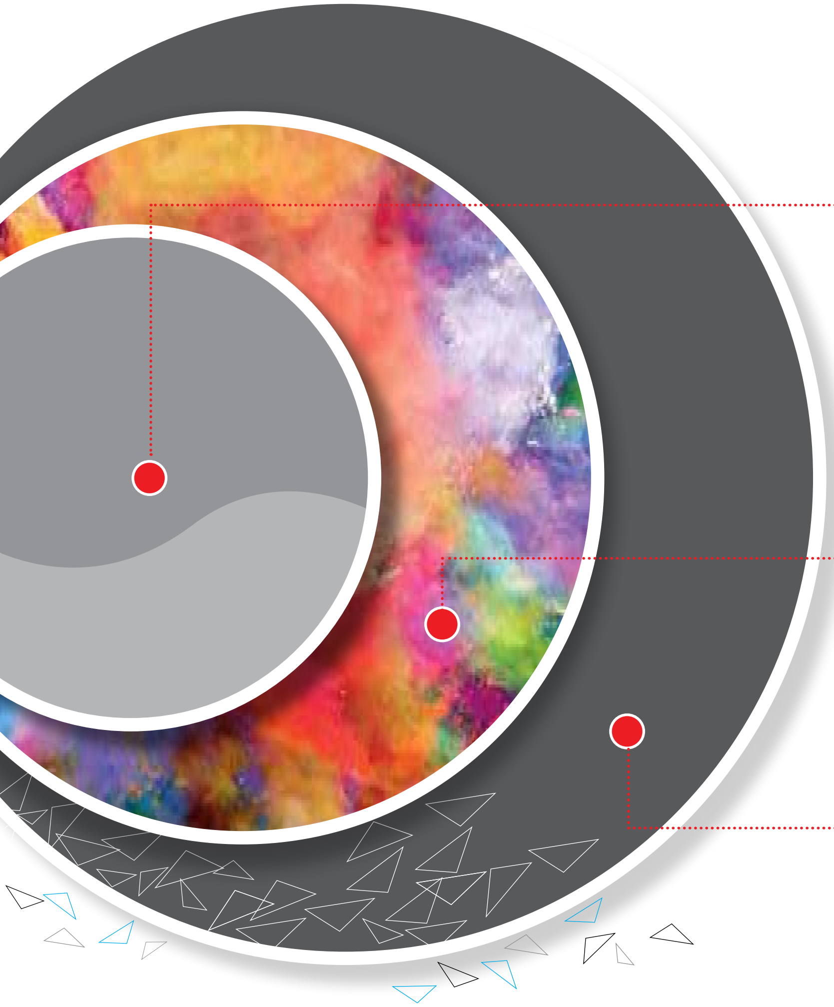
Market Expansion

MPS strives to be ahead of market trends by continually evolving and strategically expanding. The steady growth in the core business encouraged MPS to enter the adjacent market of enterprise learning (projected to grow to USD 325[2] Billion by 2025). The acquisition of Tata Interactive Systems Group heightened the scope and technological capabilities of MPS as we entered into the large addressable market of eLearning. MPS leveraged its expertise and network in the content business and imbibed new state-of-the-art technologies such as AR, VR, XR, gamification, business simulations, and learning management systems to grow in the business of eLearning.

[2] https://www.forbes.com/sites/tjmccue/2018/07/31/e-learning-climbing-to-325-billion-by-2025-uf-canvas-absorb-schoology-moodle/#5bf622f93b39

LEVERAGE. DIVERSIFY. DISRUPT.

Growth strategy for a changing world



LEVERAGE

Expansion of core by optimizing and configuring what we have for newer applications and business models

DIVERSIFY

Expansion into adjacent markets by extending core competencies suitably

DISRUPT

Identify non-value drivers in core market and find ways to remove such redundancy through platform-based approach

STRATEGY	LEVERAGE	DIVERSIFY	DISRUPT
Capabilities	Core	Extended Core	Transformative
Target	New Customer Types in Core	Adjacent Markets	Dis-intermediate Core Market
Implementation	» Identify suitable assets such as data capital, tech IP, and key people and determine market feasibility » Develop MVP for market feedback » Incorporate feedback for beta stage	» Identification of suitable markets and minimum capability extensions required	» Identify non value links in core market and ways to make them redundant
Examples	» DigiCore for authors and self-publishing » Data as a service for libraries » Rights and Permissions for granting rights	» Mag+ as a service for document management and delivery in the enterprise » Extending acquired capabilities of MPS Interactive Systems and MPS Europa to marketing communications at the enterprise » Marketing agency support by extending content development capabilities	» Automate tasks in the content production process to move to zero or one touch workflow and real time processing of content » Real time peer review of academic content through a collaborative editorial environment eliminating the various actors and time lost » Enable self publishing » Continuous update of content to drastically minimize new content development

The CEO's REVIEW

"WE MOVED OUR CHEESE BY **EFFECTING CHANGE RATHER THAN ACCEPTING IT".**

Rahul Arora

CEO and Managing Director,
reviews the company's FY19 performance while appraising the company's prospects.

Q: Were you pleased with the performance of the company during FY19?

Yes, I am pleased that we are able to reach a new scale, continue our growth story in our core business, and diversify our business through entry into an adjacent eLearning market. FY19 was a great bridge year that changed our market perspective and jump-started MPS into its next phase of growth.

MPS reached a new scale through the recent acquisition of Tata Interactive Systems Group,[1] with revenues growing by 35.8 percent to INR 363 Crores in FY19. The pedigree of the acquired asset base combined with the new scale has done much for the MPS brand in the last ten months. Customers in the existing business are viewing us differently—enhanced credibility in volume expansion and platform scalability is opening up new opportunities for MPS in publishing. We have also expanded the scale of the acquired entities in the new eLearning business segment from a niche provider to one of the largest vendor partners in the market, which has resulted in a consistent inflow of opportunities, including Requests for Proposal (RFPs) in existing and new business areas. The new scale bridges the gap between MPS and some of our larger competitors that aren't quite growing their businesses as MPS has, from a relative perspective. The appreciation of our employer brand in India has allowed us to

[1]Tata Interactive Systems Group includes Tata Interactive Systems India (now MPS Interactive), Tata Interactive Systems AG (now MPS Europa AG), and Tata Interactive Systems GmBH (now TOPSIM GmBH).

recruit from top management schools and also positioned us as an aspirational job destination for many in our space.

Growth in FY19 was not limited to the acquisition. Our content solutions business grew by 6 percent in a *Red Ocean* environment through increased volumes from existing customers and the addition of new customers that are already featuring in our top 15 customers. And while EBITDA margins were suppressed in our platform solutions business due to the one-time loss in TOPSIM GmBH, we implemented several innovative platform projects in FY19 that not only were the first of their kind in the marketplace but also allowed for measurable and tangible business impact for our customers.

> MPS reached a new scale through the recent acquisition of Tata Interactive Systems Group, with revenues growing by 35.8 percent to INR 363 Crores in FY19.

Our relentless and determined spirit allowed us to continue our growth agenda in the highly competitive and fragmented publishing outsourcing market.

Our entry into the adjacent eLearning business segment was no accident. This adjacent marketplace enhances our previous addressable USD 2 Billion publishing outsourcing market by USD 160 Billion. Apart from the significant market expansion, we now have tailwinds, with the eLearning market expected to grow to USD 325 Billion by 2025 at a CAGR of more than 10 percent, according to a recent *Forbes* report.[2] Additionally, the premier status of all three acquired entities positions us to possibly repeat our growth story in the eLearning space that we unlocked with MPS in publishing outsourcing since our acquisition of MPS from Macmillan in 2011–12.

There is quite a journey ahead of us, including sustaining the momentum in the core business and accelerating in the eLearning business; however, FY19 has given us focus and clearer line of sight toward Vision 2023.

Q. What is so special about growth in the content solutions business segment, and what were the main drivers?

Publishing outsourcing is a *Red Ocean* environment. The 6 percent growth in the content solutions business means that we not only were able to navigate and manage within a declining or flat market but also were able to operate at a high EBITDA margin business because of our operating model. The content solutions business is what allowed us to raise INR 150 Crores in growth capital through a qualified institutional placement (QIP) process in FY2015, which subsequently led to the development of the platform solutions business (DigCore, Mag+, and THINK) and the recent acquisition of the Tata Interactive Systems Group that established our eLearning business.

The content solutions business grew because eight out of our top ten customers expanded volume with us in established content outsourcing areas and started new outsourcing initiatives. We also added some new clients in the content solutions business, and we expect one of them to be included in our top five customers in a couple of years. Journals, which is our largest business unit within content solutions, witnessed positive momentum, while Learning and New Media solutions, which is a green-shoot business unit within the content solutions segment delivered solid growth.

Q. Entry into the eLearning market was how you moved the cheese?

The development of the eLearning business segment was one way by which we effected change rather than accepting it. Yes, we entered a larger and growing adjacent market to enhance and diversify our quality of revenue, but the journey has just begun. We need to consolidate our position before we further accelerate in the eLearning segment.

[2]https://www.forbes.com/sites/tjmccue/2018/07/31/e-learning-climbing-to-325-billion-by-2025-uf-canvas-absorb-schoology-moodle/#569c9e4d3b39

Within our content solutions business, we are looking to hold our growth position, given the nature of the industry. Margin levers continue to increase for MPS in the content solutions business according to our *Operational Excellence* value proposition. We have now established our Dehradun center as an end-to-end delivery center, and because of the associated excellence and efficiency in deliveries, customers now often prefer the center. Efficiencies through smarter workflows, leaner processes, and increased automation have been a constant endeavor for us. Where content is standardized, we have advanced to application of Machine Learning (ML) and Natural Language Processing (NLP). Artificial Intelligence (AI) is not loosely used at MPS as a substitute for good programming, and we have seen early success in standardized content in several projects, including content profiling and cognitive quality control (QC) using ML, application of NLP in copyediting, and Artificial Neural Networks for automated QC of content. Publishers with non-standardized content are also now eager to transition to a systems-based approach, and we have made a few successful implementations in the educational publishing space that we look to leverage in the near future with other customers.

Product Leadership is the basis of our Platform Solutions business. This means consistent and thoughtful reinvestments to ensure that all our platforms are market leading. These investments include recruiting and retaining top talent in existing and new capability areas, challenging the assumptions and established processes of the development lifecycle, and integrating with and upgrading to the latest technology standards. Our platform teams are spread across Noida, Gurugram, Dehradun, and Bengaluru to ensure that we have top talent and are not affected by any temporary threats to one local center, even though it means we may be sacrificing some economies of scale. In addition to recruiting five candidates as Platform Owners from the Class of 2019, we commenced a Leadership Development Program in collaboration with the Indian School of Business. Our teams have now switched completely to an *agile* development and management model in the Platform Solutions business. We have also aggressively invested with Amazon Web Services (AWS) to migrate all our platform solutions and sub modules to the cloud to ensure scalability, reliability, and security.

Q. What would have been the impact if you had not enabled these changes?

Grow or perish. I have always believed in this business philosophy. If we hadn't made these changes, we wouldn't have moved into another phase of growth with focus. These changes were required for us to grow our business. We have been concentrated with a few customers for most of our company history. More recently, we were successfully able to move from 71 percent revenue from the top 10 customers to 66 percent revenue from the top 15 through the addition of the platforms business. Diversifying revenue was needed for growth. Customers shape your future, and since the entry into eLearning was completed inorganically, we could choose to enter a larger and growing market. Similarly, efficiency and reliability are what those seeking content solutions look for, and all the changes we have made are for us to be the default choice in our customers' selection process. Investments in the platform business will allow us to be the market-leading partner today and in the future as we look to scale the business.

> "Customers in the existing business are viewing us differently—enhanced credibility in volume expansion and platform scalability is opening up new opportunities for MPS in publishing. We have also expanded the scale of the acquired entities in the new eLearning business segment."

Q. What is Vision 2023, and how is there a new focus?

Our vision is to power the differentiation and competitiveness of our customers through smarter publishing and learning. We will transform learning by making it transparent, real time, and focused on the learning outcome. Through the successful execution of this vision, we will grow to be the undisputed market leader by 2023, loved and admired by all our stakeholders. Our ambitions will be powered by our core values that we call the Triple E—Excellence, Empathy, and Efficiency. These Triple E values define who we are today and will shape our future. They are principles that we will not compromise on but are tools that we will depend on.

Completing synchrony in our vision and values across our three business segments was the starting point for us. Working in collaboration with our customers, we understood that although such synchrony was possible, its implementation would be unique for each business. Making publishing and learning smarter in a transparent and real-time manner with a complete focus on the learning objectives means speed and reliability in content solutions. The same vision translates to product depth, open and modular architecture, and the most intuitive user experience in platform solutions. In the eLearning solutions business, creativity produced efficiently will be our edge and differentiator.

> “Making publishing and learning smarter in a transparent and real-time manner with a complete focus on the learning objectives means speed and reliability in content solutions. The same vision translates to product depth, open and modular architecture, and the most intuitive user experience in platform solutions.”

The same vision implemented differently in the three businesses and powered by the same common Triple E values of Excellence, Empathy, and Efficiency is our new focus.

Q. What are the market dynamics, and why is scale so important to your customers?

On the publishing side, our customers are going through yet another period of uncertainty. Large publishers are acquiring platform vendors, and this is making other publishers contemplate their choices. More than data protection, their concern will be influence on platform roadmap, higher pricing over time, and a reduced focus on client servicing. Publishers are being forced to embrace new business models by the market, including open access within science and scholarly publishing and all-access subscriptions within educational publishing, without working out the complete details of the operating model. Publishers continue to consolidate among themselves in order to grow in flat markets and to explore synergies. And they are also consolidating vendors amid all the uncertainty. Scale is a good starting point for selection because it gives publishers confidence that the vendor partner is not only going to be around through all the change but also has the muscle to develop new business areas to support emerging outsourcing needs. In addition to scale, the comprehensiveness in capabilities and partnering with a growing vendor go a long way to comfort publishers in their content and platform solutions' vendor partner decisions.

While the eLearning business is not witnessing the same uncertainty, the market has witnessed a plethora of new vendors emerging in order to capture the growing and large opportunity that the market presents. Additionally, rapid innovation in technology has further cluttered the marketplace with a multitude of options that solve niche problems. Scale again is a great signal during the selection process in a cluttered market, particularly for large projects. But although it is a great starting point, it ends right there at table stakes for these larger engagements because customers are looking for partners that are creative, comprehensive, and efficient in their scope of engagement.

Q. Please tell us more about the innovative platform projects that you mention.

I will focus on three since there were quite a few. The first one was expanding the Mag+ platform for sales enablement for a leading consumer goods company headquartered in the U.S. The platform has been expanded with recommendation capabilities, enhanced with richer analytics, and given a slicker user experience, allowing the customer's sales team to sell smarter and make decisions in real time. The implementation of this platform was completed in record time, and the customer is now one of Mag+'s top three customers.

The second innovative implementation was of THINK360. Shortly after the acquisition of THINK, we integrated it with other MPS platforms, including ScholarStor and MPS Insight, to offer it as a platform suite. We started seeing many of THINK's customers subscribe to at least one more module of THINK360, but the most successful implementation was of the complete platform suite in five months for a U.S.-based magazine publisher. The implementation allows the customer to manage the entire content distribution lifecycle, from order to delivery to cash to renewal through one platform, drastically reducing manual touch points and providing significantly greater control over the entire process.

Another was a DigiCore implementation from content authoring to production and design to delivery. And although the platform architecture wasn't too challenging, the implementation for a K–5 educational publisher is what made it memorable. DigiCore has always been the default platform for science and scholarly publishing, but the idea that standardization and system-based approaches have a place in educational publishing became a reality through this implementation.

Q: What is the big message that you wish to leave shareholders with?

MPS has entered another phase of growth. As has been seen previously, we have always grown with focus. Publishing was our singular focus in the previous phase of growth. Now that focus has expanded to all forms of learning. We now view content as global and all encompassing, from educational to science and scholarly to professional development to learning within an enterprise. Our ability to author, develop, manage, produce, and deliver content through smarter technology and workflows is what binds it all together. And our vision to power the competitiveness and differentiation of our customers by making the process transparent, real time, and always focused on the learning outcome will be our beacon.

In order to sustain our growth momentum toward Vision 2023, we intend to leverage a combination of three strategies—leverage, diversify, and disrupt. We will leverage our capabilities, talents, data capital, and intellectual property to develop new business models and applications to augment our revenue. Our strategy to diversify ourselves into adjacent capabilities that we may not have today will continue. And where we can disrupt the status quo, we will move swiftly and with thoughtfulness from automating an entire content value chain to overhauling pricing models to complete disintermediation.

> In order to sustain our growth momentum toward Vision 2023, we intend to leverage a combination of three strategies—leverage, diversify, and disrupt.

MPS has a healthy balance sheet and is now entering another EPS accretive phase; in fact, the EPS for FY19 was a record-breaking INR 40.83 per share. The business continues to have sufficient cash to reinvest and to examine and invest in future acquisitions. On May 17, 2019, the Board of Directors recommended a final dividend of INR 25 per equity share, subject to the approval of the shareholders. This dividend distribution will bring us back to the consistent and previous scales, adjusted for more profitability today.

THE **STRENGTH** OF OUR BUSINESSES AND OFFERINGS

Content Solutions

Content Authoring and Development

Overview

We deliver results for students and instructors in any environment, from PreK–12 through Higher Education and Professional Development. Our experienced teams create engaging and instructionally sound content through content creation and development life cycle.

K12 Content Development: Services include conceptualizing programs, developing prototypes, writing curriculum and instruction, aligning instruction to state and national standards, and aligning assessment to instruction.

Higher Education Content Development: The team develops instructional materials for higher education institutions, trade schools, associations, and professional organizations that serve students, instructors, and employers and their employees. Services include authoring, content development, and project management.

Editorial services: A full range of US-based editorial services includes manuscript preparation, copyediting, proofreading, indexing, alt-text writing, video script writing, accuracy and fact-checking, and metadata tagging, indexing, alt-text writing, video script writing, accuracy and fact-checking, and metadata tagging.

Strengths

- **K12 content development:** The team specializes in English Language Arts (ELA), STEM, World Languages, and ELT (English Language Training International Market) and develops student books, teacher editions, assessments, and ancillaries in print and digital formats.
- **Higher Education Content Development:** Projects range from those in the humanities, social sciences, and education to the sciences and nursing. The team specializes in writing NCLEX-style test bank questions.

Rights and Permissions

Overview

Our rights and permissions experts are skilled in all aspects of research, clearance, and copyright law. We work as an extension of your team, providing personalized service and solutions to achieve project objectives.

Strengths

- The Rights and Permissions team has many years of experience across all grade levels and disciplines.
- The team has expert understanding of copyright law, a vast network of freelancers to scale up quickly when needed, and exceptional communication skills.

Project Management

Overview

We provide both partial and full-service project management for all product types including journals, books, and major reference works. Our project managers are proactive in communication with clients and authors, and they are always ready to present creative solutions to resolve any issues that arise. Our project managers are experienced professionals that ensure projects meet or exceed financial, schedule, and quality goals.

Strengths

- Project management is the fulcrum of our client engagements

- As clients reduce their internal resources, more advanced forms of project management is being outsourced. The role of the project manager will continue to expand.

Content Production

Overview

Our content production specialists use the most advanced software to ensure that your files are prepared to exact project specifications. Our proprietary workflow systems allow for scalability, as well as quick turnarounds, and time-to-market. Our continuous innovation to optimize workflows has led to expedited journal production and digital first workflows for book production.

Strengths

- The Company enhanced its cloud-based editorial platform for content editing, review, and proofing services. It also enhanced its automated composition platform with automated QC and exception routing. It implemented content profile-based QC, developed a new peer review system, and implemented Machine Learning, Artificial Intelligence, and NLP in production processes.
- Graduation in certification from ISO 9001:2008 Quality Management System to ISO 9001:2015 Quality Management System (latest standard).
- Won Journal Production Services contract for a large global publisher.

Creative Studio

Overview

From concept to construct, our design and art teams work with our clients to capture their design philosophy and provide the most appealing visual presentation of their content and to accurately illustrate the most difficult concepts. With a deep understanding of design principles and product strategy, we work closely with content developers to ensure that the right design hierarchy supports core texts, supplemental components and user interface.

Strengths

- Designers and media managers with extensive experience develop educational materials, and they source and manage media resources including illustrators, animators medical artists, and technical artists.
- Winner NY Bookshow Award.

Digital Transformation

Overview

We deliver an enriched digital user experience across various devices and platforms for our clients. We work with our clients to design and develop engaging content that incorporates interactivity and creative design, while also ensuring accessibility compliance. We can also transform existing content to the media of choice. We are a preferred content partner of iBookstore and have a partnership with Gutenberg, the digital publishing platform. We also work with our own proprietary, client's, or third party platforms.

Strengths

- Market expansion - Educational segment, Libraries, Newspaper/Magazine.
- Awards/Recognitions - Accessibility PDF work for school education
- Significant win - Submission of Conference series papers

Accessibility Solutions

Overview

MPS possesses a deep understanding of the accessibility requirements of the publishing industry, experience across the gamut of services, availability of appropriate resources, and ability to scale. MPS has focused on US publishers.

Strengths

- MPS provides an end-to-end solution including gap analysis, development including digital accessibility, alt-text writing, and quality assurance of accessible deliverables.
- We work as a thought partner across the spectrum of various outputs you need to make accessible to all users.

Platform Solutions

DigiCore

Overview

DigiCore is a cloud-based digital publishing platform that has been built in a modular manner using open source technologies that provides seamless integration with existing architecture. The openness of the framework allows customers to implement various combinations of DigiCore modules, depending on existing investments and system architecture. DigiCore helps streamline, automate, and optimize the publishing workflow.

Strengths

- Workflows driven by different stakeholders who are able to work collaboratively without the hassle of downloading and uploading files
- Improved content delivery experience with relevant branding and marketing
- Configurable end-to-end workflow
- Integrated digital asset management
- Integrated workflow management to keep projects moving smoothly
- Real-time dashboard to review status and to manage throughput

THINK360

Overview

THINK360 is an end-to-end, cloud-based integrated platform suite to enhance the content management and delivery experience.

Strengths

- Integrate, deliver, and manage scholarly and professional content from a single platform
- Flexible order management for subscriptions and products
- Automate and streamline business process through order to cash management services
- Easy bundling to allow the end customer to mix and match the component they want
- Sophisticated renewal feature allowing users to renew by themself through self-serve
- Simplified accounting and revenue recognition interfaces
- Integrated usage analytics platform that enables you to make better decisions

Mag+

Overview

Mag+ makes it easy to publish content to a mobile app. From text to video to interactive elements, no matter the source, the Mag+ software helps bring content to life on tablets and phones with no coding and no hassles. The digital-publishing software covers every part of the app-publishing process. Design your content using simple tools, build your own branded mobile app on our Web portal, and distribute your designed content to that app for end users to experience on their mobile devices.

Strengths

- Mag+ facilitates the design and distribution of stunning mobile content of writing even a single line of code. It provides creative freedom to designers, delivering rich multi-media content.
- The product has always been a market leader comprising interactive slideshow, internal jump links, PDF sharing, and the facility to add custom features.
- The product has added support for PDF files and Video as new Content types. It is engaged in the process of adding multiple library user-interface options.

TOPSIM®

Overview

The Company creates business simulations that allow participants to take real-life business decisions in a risk-free environment. These solutions, combined with modeling and academic prowess, make the simulations as close to the real world as possible.

Strengths

- The Company's off-the-shelf simulations and training offerings cover business, financial acumen, strategy creation and implementation, corporate entrepreneurship, innovation, sales, operational excellence, and high-performance leadership skills.
- The Company is an established player with a strong international growth strategy.
- Over the past year, the Company has extended simulation functionalities and added options for impact measurement and competency assessment. TOPSIM® has also moved deeper into industry verticals such as oil and gas, (corporate) entrepreneurship, industrial manufacturing, and banking.

eLearning Solutions

MPS Interactive

Overview

MPS Interactive Systems was founded by people with a passion to change the way the world learns. This passion still drives our solutions, with an unwavering focus on innovation, continuous improvement, and high quality.

We have been at the forefront of the learning industry through its evolution from the early days of compact discs to today's world of virtual and augmented reality. Today, MPS Interactive is synonymous with bespoke solutions that are focused on learning outcomes enabled by efficient yet immersive learning paths.

We work with the world's leading corporations, universities, schools, publishers, and government institutions and have helped 70 Fortune 500 companies with their learning needs and strategic priorities. With our extensive training experience across major industries, business functions, and job roles, our solutions address learning needs from onboarding to leadership development and regulatory to customer service.

Our highly skilled cross-functional team of instructional designers, content writers, graphics designers, usability designers, animators, and software designers bring to life our wide array of solutions and services.

Strengths

- Solutions cover the entire learning value chain starting from need analysis and content creation to delivery platforms and knowledge reinforcement.
- Team combines the science of knowledge retention, human behavior, and attention spans to deliver effective learning solutions.
- Projects include supporting companies in creating a choreographed experience for their customers through our Experience Centers.
- Delivered projects across industries and strengthened positioned especially in Oil and Gas, Banking and Insurance, and FMCG last year.
- The company expanded the scope of its capabilities to deliver marketing interventions that are memorable, measurable, and aligned to business goals.

Awards and Recognitions

- 55+ Brandon Hall Awards
- 20+ Training Industry Recognitions
- 10+ LearnX Awards
- 10+ APEX Awards
- 45+ Other International Awards and Recognitions

MPS Europa

Overview

MPS Europa has been leading technological advancements in the learning industry for nearly three decades. We strongly believe in the combined strength of technology and learning to advance the noble cause of human capital development. Our expert team, comprising learning designers and technical developers, is driven to the cause and delivers powerful and engaging learning experiences. We have successfully delivered such experiences for a wide variety of audiences using cutting edge technologies like augmented reality, virtual reality, and 360-degree videos. We have also developed proprietary platforms to enable creation of learning modules and assessing the knowledge gained.

Our solutions focus not just on knowledge sharing but also enable the learners to implement the desired behavior in their day-to-day actions. Hence, our solutions have received wide acceptance from government organizations and corporate clients alike.

Strengths

- CyberTest, an assessment engine, allows companies to gain insights into learner's understanding of concepts and identify areas of improvement.
- QuizBiz, an engaging and competitive application, uses quizzes and gamification to reinforce learning.
- LEARNow™, an intuitive authoring tool, enables the author to create and edit learning content.
- The team delivered immersive learning modules built using emerging technologies like AR/ VR/ motion sensors.

MANAGEMENT DISCUSSION **AND ANALYSIS: FY 2018-2019**

OVERVIEW

MPS was established as the Indian subsidiary of Macmillan (Holdings) Limited in 1970. MPS leveraged its multi-decade service history as a captive business and built unique capabilities through strategic partnerships. Following a change in ownership and management in 2011-12, MPS embarked on a period of growth and, with an entrepreneurial mind-set, consistently reinvested in the business. MPS made six acquisitions in six years; the first five were acquisitions of scale, while the last one was an acquisition of scope. The company now provides eLearning and digital publishing solutions and is a global partner to the world's leading enterprises, publishers, learning companies, and content aggregators. MPS is listed on the major Indian stock exchanges and enjoys a market capitalization of around INR 892 Crores as of March 31, 2019. 2,536 associates power MPS across seven development centers in India, two subsidiaries in Europe, and five client offices in the US.

BUSINESS SEGMENTS

After making substantial progress in the publishing outsourcing market through its content and platform solutions business segments, MPS entered the more significant and growing adjacent market of eLearning through the acquisition of Tata Interactive Systems in June 2018. The purchase established a new business segment called eLearning Solutions for MPS, which is expected to be the *Rising Star* for the company in the coming years. A summary of MPS' three business segments, including value propositions, business strategies, inorganic growth considerations, and client profiles, is provided below:

	Content Solutions	Platform Solutions	eLearning Solutions
Overview	Content Authoring and Development, Content Assembly, Content Transformation, and Content Fulfillment	DigiCore, THINK360, Mag+, TOPSIM, and all platform-related services	Custom Development, Managed Learning Services, Simulations, Serious Games, Mobile Learning, Micro-Learning, and AR/VR/Mixed Reality
Proportion of Business Today	64%	17%	19%
Value Proposition	Operational Excellence	Product Leadership	Product Leadership
Business Strategy	Play the role of a *consolidator* for publishers and pass on efficiencies gained from scale and automation in savings to customers.	Provide market-leading platforms at competitive prices.	Play the role of a *disruptor* by introducing automation and tool-based development to *make learning smarter.*
Inorganic Considerations	New Clients and Capabilities	New Capabilities	Geographic Expansion and New Capabilities
Client Profile	Publishers, Corporations, and Content Aggregators	Publishers, Corporations, and Universities	Corporations, Universities, and Publishers

CONTENT SOLUTIONS

Journals content management is the largest business unit in the content solutions segment. The business has gone through a series of evolutions since Macmillan established it in 1970 as the first outsourcing business in publishing. From the transition of editorial services to project management during the 1990s to the movement to a platform-based approach in the 2000s, MPS has always been on the forefront of innovating and driving change in journals content management. We have more than four decades of experience in journals content management that is powered today by more than 1,200 employees in India. Our center in Bengaluru is now a technology center that powers journals production operations in Chennai and Dehradun. MPS has led the transition from technology-supported to technology-led journal production with strict digital-first workflows and standardization across products. Drastic reductions in turn-around times, vertically aligned services, and lower cost structures that keep pace with changes in the industry have made MPS tremendously successful as clients look to consolidate vendors. More recently, we have enabled the application of machine learning and advanced analytics to be a business reality in journals production, setting the foundation of our next growth phase.

While journals have given us a boost in the science and scholarly markets in the content solutions segment, MPS North America LLC, established in 2013, has strengthened our position in the educational publishing market. The addition of US-based services, including content authoring and development, rights and permissions, and higher-end creative services, has enabled us to achieve new scale and competency benchmarks. These services were essential in attracting educational publishers as they selected global and comprehensive vendor partners that could help achieve their goals of faster and richer product development at competitive prices. To scale efficiently and in synchrony with the needs of this upcoming market, MPS completed three US-based acquisitions in quick succession:

1. The 2013 acquisition of Element LLC (Orlando, FL) allowed MPS to enter the K–12 market. We gained significant capabilities in content development and design across the STEM (science, technology, engineering, and mathematics) verticals.
2. The 2014 acquisition of Electronic Publishing Services (Durham, NC) empowered us to expand our presence in the Higher Education and Academic Publishing segments. We gained new capabilities in rights and permissions, content authoring, and development for the Higher Ed market and high-end media asset development opportunities for STM (Scientific, Technical, and Medical) customers.
3. The 2015 acquisition of TSI Evolve (Orlando, FL, and Effingham, IL) expanded our capabilities in reading, language arts, world languages, translations, and design/media for the K-12 market.

These acquisitions have positioned us on the positive side of all significant vendor consolidations in the educational publishing market since 2013. We now have a thriving educational practice that has surpassed the peak revenue of the combined entities that we acquired. We have consolidated operations for these acquired assets with our India-based facilities and strengthened project management to provide more effective client engagement.

PLATFORM SOLUTIONS

MPS' comprehensive capabilities in content solutions have allowed us to develop deep client partnerships and grow in a highly competitive and fragmented publishing outsourcing market. Much of this success, particularly with journals customers, has been the result of automation and efficiencies delivered through a system-based approach. Based on this approach, MPS developed the DigiCore platform to generate annuity-based revenue, resulting in more strategic relationships with its customers. After gaining momentum in this business area, MPS committed to the approach and added a business segment called Platform Solutions in 2015. To further enhance our business capabilities in this area, we completed the following acquisitions:

1. The 2016 acquisition of Mag+ (US and Sweden) from Bonnier Corporation augmented our platform capabilities and

developed our mobile content strategy for our customers. Following this acquisition, we migrated technical operations and support functions from Stockholm (Sweden) to Noida (India) and integrated Mag+'s business development and marketing functions within MPS North America and Noida. Since then, we have strengthened Mag+'s value proposition by offering creative services to provide operational support to our customers for complex and time-sensitive projects.

2. The 2017 acquisition of THINK Subscription (Provo, UT) from Digital River enhanced our content delivery platform framework with order management and customer service capabilities, allowing us to plug into the customer ecosystem for publishers and making us a more strategic vendor partner. We have since completely integrated THINK with two leading MPS platforms—ScholarStor and MPS Insight—and offer them as a platform suite called THINK360. The suite architecture is modular and allows customers to choose the functions appropriate for their current systems and plans.

3. The July 2018 acquisition of Tata Interactive Systems GmBH, now known as TOPSIM GmBH, allowed us to enter the emerging eLearning solutions market. TOPSIM is one of the leading companies worldwide in the field of management simulations. Since 1982, this Germany subsidiary has developed business simulations and conducted more than 2,000 seminars worldwide. Since this acquisition, we have expanded TOPSIM's capabilities beyond Europe to reach all major markets.

eLEARNING SOLUTIONS

1. In June 2018, we acquired Tata Interactive Systems, the eLearning segment of Tata Industries Limited, through our wholly owned subsidiary, MPS Interactive Systems Limited. MPS Interactive enables its clients to address their learning and development needs through technology-enabled, futuristic, and highly scalable learning solutions. Services include gamifications, simulations, custom eLearning solutions, augmented and virtual realities, animations, videos, and micro-learning options. This acquisition has allowed us to make a definitive entry into the significant and growing eLearning market. The integration process is well underway, and the business is already profitable and moving into a growth phase.

2. The July 2018 acquisition of Tata Interactive Systems AG, now known as MPS Europa, completed our purchase of the Tata Interactive Systems Group. Our new presence in Switzerland allows us to serve parts of continental Europe that require local connections and has also provided us with significant new capabilities in emerging technologies, including augmented, virtual, and mixed realities. Since the acquisition, we have made the business profitable through enhancements to products, marketing, and efficiencies in its delivery model.

VISION 2023

MPS' vision is to power the differentiation and competitiveness of our customers through smarter publishing and learning solutions. We will transform the publishing and learning industries by making them transparent, real time, and focused on the learning outcome. Through the successful execution of this vision, we will become the undisputed market leader by 2023, admired by all our stakeholders.

VALUES

Our ambitions will be powered by our values, which define who we are today and will shape our future. These are not principles that we will compromise but tools upon which we will depend.

Excellence is a way of life for us. It means respecting our colleagues, owning our responsibilities, and committing our best efforts to our customers. Excellence is not perfection but rather the simplicity in giving our best effort to every interaction, deliverable, and decision.

Empathy is caring. It means caring to understand things deeply, absorbing the unwritten, and going the extra mile for people who depend on us. Although empathy is usually intuitive, we believe that it can be developed intellectually through impactful programs.

Efficiency is who we are. It means driving automation, smarter workflows, and innovative operating models and not allowing any job to be considered grunt work. We will be doing things very differently by 2023, and we will be innovating to make publishing and learning smarter along every step of the journey.

CERTIFICATIONS

Consistent with our value of excellence, we work hard to develop internal processes that ensure the highest standards of quality and data security. Our commitment and success are acknowledged by the following certifications:

- **ISO 9001:2015:** This is an international quality management system for the company's journal production business.
- **ISO/IEC 27001:2013:** This strengthens the information security management system; it applies to MPS' Indian production units.
- **PCI-DSS:** This global information security standard is awarded by the Payment Card Industry Security Standards Council. This certification (PCI-DSS version 1.2) extends across the MPS' fulfillment services unit.
- **COUNTER 5 Compliant:** This international initiative services librarians, publishers, and intermediaries. The standards facilitate the consistent and credible recording and reporting of online usage statistics. This applies to MPS Insight and MPS ScholarlyStats.

MARKET DEVELOPMENTS

The global publishing industry continues to report a stable outlook. However, underneath a stable outlook lies a myriad of changes. Digitization and changes in the way we consume content every day have had an enormous impact on the industry over the past few years. Open access for journals continues to be a disruptor. Also, we are now seeing large publishers embrace newer business models, including subscription models, and additional product streams, such as video-streaming channels, to fulfill the demand for visual storytelling and to keep pace with the growing trend of consuming content through viewing instead of reading. Given our strong platform capabilities and the content and visual design skills gained through the acquisition of Tata Interactive Systems, we are well placed to adapt to such industry disruptions.

Additionally, although we saw some vendor consolidation in the industry a few years ago, we are now seeing a fresh round of consolidation among publishers. A recent news article[1] announced that Cengage and McGraw-Hill are merging to create an educational publishing behemoth. MPS is unique in being a preferred vendor partner for both companies, and we will leverage our comprehensive capabilities to drive this existing relationship forward in a more strategic manner following the merger's completion.

Given the industry's modest outlook, publishers continue to consolidate with fewer yet more comprehensive vendor partners in exchange for lower prices. We continue to leverage our lower-cost facilities, systems-based approach, and use of automation to agilely scale our operations to meet client objectives.

The eLearning industry, on the other hand, is poised for growth. One article[2] estimates that the industry will grow to USD 325 Billion by 2025 at a compound annual growth rate (CAGR) of more than 10 percent. Enterprises across the globe recognize that eLearning is more efficient and competitive than traditional classroom learning. Hence, they are not just demanding more volume but also looking for ways to make content engaging and learning long-lasting. Our eLearning suite of services and products is one of the most comprehensive in the world. We offer solutions for every step of the learning value chain, from custom content creation to knowledge reinforcement. We are ideally placed to capitalize on industry tailwinds and to gain significant growth over the next two years.

The global macroeconomic environment is continuously changing. We are witnessing the rise of new global powers, massive volatility in oil prices, a delayed Brexit, and increased border skirmishes. The result is an uncertain economic environment where investments might be slow and currencies unstable.

Industry in India is also at an interesting juncture. Although the Export Promotion Council[3] predicts a growth rate of 8 to 10 percent in Indian IT and ITeS exports, clients' requirements are changing.

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[1]https://www.wsj.com/articles/mcgraw-hill-cengage-plan-all-stock-merger-11556683590

[2]https://www.forbes.com/sites/tjmccue/2018/07/31/e-learning-climbing-to-325-billion-by-2025-uf-canvas-absorb-schoology-moodle/#569c9e4d3b39

[3]https://economictimes.indiatimes.com/tech/ites/indian-it-and-ites-exports-may-witness-8-to-10-percent-growthin-fy19-esc/articleshow/67437874.cms

Most companies are moving their operations to the cloud to seek faster application development. As a result, IT companies are being forced to change their business models, which were built around infrastructure. Gartner[4] predicts that this shift will require a fundamental change in industry skill sets. We are witnessing the same trends and therefore have invested significantly in our platforms business, further diversified our revenue through the acquisition of an eLearning business, and enhanced our geographic spread through the addition of two delivery centers in India (Mumbai and Kolkata) and two subsidiaries in Europe (Germany and Switzerland).

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Keeping in line with market trends, MPS revenues increased by 3 percent, from INR 218.34 Crores to INR 223.96 Crores, in FY 2018-19 on a stand-alone basis. The foreign exchange adjusted revenue growth rate is 1.2 percent on stand-alone basis. At the consolidated level, however, MPS reported an increase of 36 percent [34 percent on foreign exchange adjusted revenue] in revenues over the past year because of the acquisition of Tata Interactive Systems and its European subsidiaries.

MPS reported an EBITDA margin of 26 percent in FY 2018-19, compared with 33.8 percent in the previous year. Our platform solutions continue to grow; these revenues increased by 26 percent. This combined effect increased profit before tax (after exceptional items) from INR 101.86 Crores in FY 2017-18 to INR 107.35 Crores in FY 2018-19. MPS continued to remain debt-free through the year, with surplus funds of INR 212.05 Crores on its balance sheet at the close of the year under review.

SEGMENT AND PRODUCT PERFORMANCES

Our business is divided into three segments: content solutions, platform solutions, and the newly added eLearning solutions. The content solutions segment comprises the creation and development of content for print and digital delivery; the platform solutions segment includes the development of software and technology services programs; and the eLearning solutions segment involves the curation of custom content for active learning and its subsequent distribution within an enterprise.

On a consolidated basis for FY 2018-19, content solutions accounted for 64 percent of MPS revenues, platform solutions accounted for 17 percent, and eLearning accounted for 19 percent.

Content solutions reported revenues of INR 232.83 Crores, compared to INR 219.77 Crores in the previous year, a 6 percent increase. This segment's growth was the result of increasing disintermediation between authors and readers the world over. MPS addressed this challenge through price cuts complemented by increased volumes; the company's moderate revenue growth must be seen as a positive development in a sector where revenues are declining.

Platform solutions reported revenues of INR 59.75 Crores, compared to INR 47.26 Crores in the previous year, a 26 percent increase. A combination of scale, long-term commitments, acquisitions, and competitiveness makes this business an attractive growth area for us. We intend to scale this business through larger and quicker investments.

Our new eLearning solutions segment reported revenues of INR 69.96 Crores. Our cost-management initiatives toward profitability have been completed; we are now in a consolidation phase, with a focus on strengthening the business to develop a foundation for growth.

STRENGTHS

We are a customer-focused organization and have built capabilities to help our customers achieve their business outcomes. The strengths that allow us to retain our market and product leadership include the following:

Unparalleled Platform-Based Approach

MPS platforms have gained significant momentum in the last five years, and the value proposition of this business is product leadership. Smart and reliable engineering,

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[4]https://economictimes.indiatimes.com/tech/ites/it-sector-will-see-job-cuts-with-cloud-migration-automation-gartner-expert/articleshow/69204224.cms

dedicated customer support, and innovative marketing power our platforms. With the recent acquisition of Tata Interactive Systems, we have further strengthened our platform suite. We are relentlessly focused on leveraging our combined knowledge to enhance our products. For example, we recently added chat-bots, a virtual assistant capability developed by MPS Interactive, to DigiCore to strengthen its value proposition for our customers.

Content Focus

MPS is focused on content services, with a strong emphasis on learning outcomes enabled by efficient yet immersive learning paths. We provide services across the entire author-to-reader value chain, from content authoring and development to distribution and delivery.

In the educational publishing segment, these services include content assembly, media asset development, project management, rights and permissions, design, rich media, and digital learning objects. On the enterprise side, these services include content consultation, content authoring and curation, content organization, content delivery, and content upgrade.

Focus on Innovation

MPS has a strong focus on developing and implementing highly automated, efficient, scalable, and technologically superior workflows across all stages of content creation. These workflows bring together an optimum combination of input file structuring and validation, XML transformation, pagination, and quality assurance (QA) processes. We are also leveraging our strong technological capabilities to significantly reduce production time for eLearning solutions. We have empowered employees at all levels in the organization to propose and deliver meaningful changes in the way we produce content.

Financial Stability and Transparency

MPS is listed on the Indian stock exchanges and had a market capitalization of around INR 892 Crores as of March 31, 2019. Our revenues have grown at a CAGR of approximately 13 percent since 2011-12. We have an active acquisition strategy that is focused on purchasing assets that will enable us to be a more meaningful partner to our customers.

Our financial stability enables us to reinvest in our platform technology, production processes, and infrastructure (IT and facilities). This reinvestment further allows us to ramp up production quickly, manage operational risk, and attract the best talent to service our customers in the best possible way.

Demonstrated Success in Change Program Implementation

MPS has successfully implemented change programs and analytics-led innovation over the 50-year legacy in publishing outsourcing and 30-year leadership status in eLearning. As a result, we have a unique vantage point: we have learned from the past, have enabled the present, and are now well positioned to define the future.

Vision and Values

MPS' vision is to power the differentiation and competitiveness of our customers through smarter publishing and learning. We will transform publishing and learning by making it transparent, real time, and focused on the learning outcome. Our values of Excellence, Empathy, and Efficiency are the tools that will enable our realization of this vision.

Global Project Management

Project management is the fulcrum of our client engagements. We have achieved a delicate yet stable balance between offshore and onshore service delivery. We have a team of full-service project managers based in India as well as in the US. They work with clients for the entire duration of the project to handle the end-to-end production process and serve as a single point of contact for anything related to the project. We employ experienced project management professionals to ensure that each project meets or exceeds its financial, schedule, and quality goals.

OPPORTUNITIES

MPS' core publishing business presents massive scale opportunities. Publishers are looking to consolidate vendors, and we have a long history of emerging as the vendor of choice for some of the largest publishers. We plan to pursue the same strategy and achieve a bigger scale. Another trend that favors us is the industry movement toward Software as a Service (SaaS). The shift to cloud-based services and automation makes our suite of products attractive to clients, as we are present at every step of the value chain. Our product capabilities and smart workflows give us confidence that we will capitalize on these trends.

The eLearning industry is growing at more than 10 percent per annum and presents opportunities for organic and inorganic growth. Because it is a growing industry, we plan to capture the market through smarter workflows and reduced production times and then pass on the benefits to our customers. On the inorganic side, we have an active acquisition strategy, although we will be selective. We intend to make an acquisition that adds to our competencies, maximizes return on investment, and enables synergies with the overall business.

THREATS

A threat we face is the low barriers to entry in the publishing and eLearning industries. Most of the new entrants, given their small scales, do not take the responsibility of being content creators seriously; as a result, the industry could face unintended consequences. We have not seen that happen yet, but we will keep a close watch on any development in this area.

RISKS AND CONCERNS

- **Industry risk:** We are in a digital age, and technological advances are happening at a rapid pace in the publishing and eLearning segments. Hence, to remain up to date, we have a Central Technology team that continues to look for innovations in the industry and their applicability to our businesses.
- **Currency risk:** Currency fluctuations can have an affect on our revenues, given the rupee's volatility. Hence, we take adequate foreign exchange forward covers to ensure that all operations are completed at conservative levels and that we can withstand any unforeseen developments.
- **Customer-concentration risk:** We are dependent on a limited number of customers for the majority of our revenue. We are widening our revenue base through an increase in the number of customers and a corresponding wallet share. We have added a large number of customers through the acquisition of Tata Interactive Systems and will continue to do so through increased sales activity.
- **The advancement of other lower-cost countries:** Some of the countries in Asia Pacific and Latin America are offering lower prices for the same sets of services, as they enjoy lower labor rates. We are therefore introducing more automation into our processes to streamline them and to reduce manual intervention to compete with such countries on prices while offering better products.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS

MPS employed 2,536 people at the end of the year under review. We have added office locations in India, Europe, and the US through our acquisition of Tata Interactive Systems. The Dehradun Operations Center further enhanced its capabilities in FY 2018-19 by moving from delivering stages of production workflows to delivering end-to-end workflows. The center's largest operations are for journal production. Additionally, we also stepped up the transition of comprehensive processes for the books and digital services business units at the end of the financial year. The center now employs more than 1,100 associates.

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 and the eLearning business, including factors that may affect our cost advantage; wage increases 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 SHAREHOLDERS,

The Board of Directors hereby submit the report of the business and operations of the Company along with Audited Financial Statements for the financial year ended March 31, 2019.

FINANCIAL HIGHLIGHTS

The summary of the financial performance of the Company during the financial year 2018-19 is as under:

(₹in lacs)

Particulars	Standalone		Consolidated	
	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2019	For the year ended 31.03.2018
Gross Income	24,998.00	24,343.33	38,779.70	29,001.23
Profit Before Interest, Depreciation and Tax (Excluding Exceptional Income)	11,251.40	10,822.98	11,860.82	11,003.22
Finance Charges	19.05	12.66	19.05	12.66
Provision for Depreciation	646.08	753.72	1,106.60	804.53
Profit Before Tax (Excluding Exceptional Item)	10,586.27	10,056.60	10,735.17	10,186.03
Exceptional Cost	-	-	-	-
Provision for Tax	3,112.27	3,235.41	3,131.64	3,165.09
Net Profit After Tax	7,474.00	6,821.19	7,603.53	7,020.94
Other Comprehensive Income	(9.55)	(62.69)	337.70	28.04
Total comprehensive income for the year, net of tax	7,464.45	6,758.50	7,941.23	7,048.98
Retained Earnings brought forward from previous year	21,881.32*	15,122.82*	22,666.90*	15,708.65*
Retained Earnings available for appropriation	29,345.77	21,881.32*	30,331.30	22,666.90*
Dividend paid	(2,234.03)	-	(2,234.03)	-
Income tax on dividend	(459.21)	-	(459.21)	-
Transfer to General Reserve	-	-	-	-
Surplus Carried to Balance Sheet	26,652.53	21,881.32*	27,638.06	22,666.90*

*Previous year figures have been aligned with the change in the disclosure of other equity as per requirement of Schedule III.

OPERATIONAL HIGHLIGHTS

Standalone

Revenue from operations for the year ended March 31, 2019 stood at ₹223.96 crores as against ₹218.34 crores for the previous year. Profit after tax and before other comprehensive income for the year ended March 31, 2019 was ₹74.74 crores and EPS ₹40.14 per share as against ₹68.21 crores and ₹36.64 per share respectively for the previous year.

Consolidated

Revenue from operations for the year ended March 31, 2019 stood at ₹362.54 crores as against ₹267.03 crores for the previous year. Profit after tax and before other comprehensive income for the year ended March 31, 2019 was ₹76.04 crores and EPS ₹40.83 per share as against ₹70.21 crores and ₹37.71 per share respectively 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

Based on the Company's performance, the Board of Directors have recommended a dividend of ₹25 per equity share (face value ₹10 per equity share), amounting to ₹56.11 crores including dividend distribution tax, for the financial year 2018-2019. The dividend is subject to the approval of shareholders at the ensuing Annual General Meeting of the Company and will be paid within the statutory period, to the members whose names appear in the Register of Members, as on record date, July 17, 2019.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the applicable provisions of the Companies Act, 2013 read with Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid or unclaimed dividend are required to be transferred by the Company to the Investors Education and Protection Fund (IEPF) established by the Central Government of India, after the completion of seven years. Further, according to Section 124(6) of the Companies Act, 2013 and the rules made there in, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF.

Accordingly during the year under review, the Company has transferred an amount of ₹96,616 unpaid or unclaimed interim dividend for the Financial Year 2011-12 on March 02, 2019 to the Investors Education and Protection Fund established by the Central Government under Section 125 of the Act. The Company has transferred 247 shares to IEPF for which dividend have remained unpaid or unclaimed for seven consecutive years.

Details regarding unclaimed dividend lying with the Company as on July 27, 2018 (date of last Annual General Meeting) has been updated on the website of the Company, (www.mpslimited.com/investors), and also on the website of Ministry of Corporate Affairs. 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 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 Statement prepared in accordance with Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 is separately disclosed in the Annual Report.

The Consolidated Financial Statement up to and for the year ended March 31, 2019 was prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP), notified under Section 133 of the Act and other relevant provisions of the Act.

As per the requirements of Section 129 of the Act read with Rule 5 of the Companies (Accounts) 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 AUDITORS 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.

The Audit Report on the Financial Statements of the Company for the financial year ended March 31, 2019 read with relevant Notes thereon is self-explanatory and does not call for any further explanations. The Auditor's 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.

ACQUISITION

During the year under review, the Company acquired Tata Interactive Systems, the eLearning business of Tata Industries Limited in India, through the wholly owned subsidiary, MPS Interactive Systems Limited and all the shares held by Tata Industries Limited in Tata Interactive Systems, AG and Tata Interactive Systems GmbH currently named as MPS Europa AG and TOPSIM Gmbh respectively. This marks the Company's definitive entry in the enterprise space and reduces the risk and dependence from its core business.

The acquisition takes the Company into an adjacent market segment of eLearning where it leverages on its strong content capabilities developed over 50 years. The acquisition has provided us with products and services that are driven by process efficiency and industry thought leadership and the Company has gained significant new capabilities in emerging technology and platform solutions along with onshore presence in Europe. It is now in the process of integrating the new acquisition with the rest of MPS.

SCHEME OF AMALGAMATION

During the Financial Year 2017-18 the Board of Directors of the Company had approved the scheme of amalgamation involving amalgamation of ADI BPO Services Limited (post demerger of its 'Infrastructure Management Business Undertaking' into 'ADI Media Private Limited') into the Company.

The scheme of amalgamation was also approved by the shareholders of the Company on October 25, 2018. Thereafter, the Board of Directors of ADI BPO Services Limited decided to withdraw the Scheme of Demerger of Infrastructure Management Business Undertaking of ADI BPO Services Limited into ADI Media Private Limited and Scheme of Amalgamation of ADI BPO Services Limited (post demerger of its Infrastructure Management Business Undertaking) into the Company. Based on such development, the Board of Directors of the Company approved the withdrawal of Scheme of Amalgamation and declared it to be null and void. Such withdrawal of Scheme of Amalgamation has been approved by NCLT Chennai on February 01, 2019.

SUBSIDIARIES

MPS North America, LLC (MPS North America), wholly owned subsidiary of the Company, is focused on content creation and development, project management, and media asset development for K12, Higher Education, Academic and STM publishers.

The revenue of MPS North America LLC for the year ended March 31, 2019 was ₹67.42 crores compared to ₹71.27 crores during the previous year. The Profit before tax for the year was ₹4.93 crores and Profit after tax and before other comprehensive income was ₹3.41 crores as compared to the previous year's Profit before tax of ₹3.60 crores and Profit after tax and before other comprehensive income of ₹2.69 crores respectively.

MPS Interactive Systems Limited, wholly owned subsidiary of your Company, incorporated on May 10, 2018 is focused on high end custom digital learning delivery including web-based learning, simulations, serious games, custom apps, and micro learning.

The revenue of MPS Interactive Systems Limited for the period ended March 31, 2019 was ₹63.03 crores. The Loss before tax for the period ended on March 31, 2019 was ₹4.81 crores and Loss after tax and before other comprehensive income was ₹4.09 crores respectively.

The primary focus during the year was to arrest revenue decline, optimize cost and to run the business profitably. The initiatives taken by us have started yielding favorable results.

TOPSIM GmbH: MPS Limited acquired the shares held by Tata Industries Limited in its wholly owned subsidiary, Tata Interactive System, GmbH on July 02, 2018 that is now named as TOPSIM GmbH. The Company is focused on multiplayer workshop-based simulations platform for management education.

The revenue of TOPSIM GmbH for the period ended March 31, 2019 was ₹15.55 crores. The Loss before tax for the period was ₹1.61 crores.

MPS Europa AG: MPS Limited acquired the shares held by Tata Industries Limited in its wholly owned subsidiary, Tata Interactive System AG on July 05, 2018, that is now named as MPS Europa AG. The Company is focused on Assessment Engine, Learning Management Platform for management education.

The revenue of MPS Europa AG for the period ended March 31, 2019 was ₹8.73 crores. The Profit before tax for the period was ₹0.41 crores.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents, and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

BOARD MEETINGS

The Board met seven (7) times during the financial year 2018-19, 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 Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Independent Directors in their meeting evaluated and discussed the performance of Non-Independent Directors, Managing Director, Board, Committees and Chairperson of the Company. After evaluation, all the Board Members submitted the duly filed in Evaluation Form for self-assessment, Board Evaluation Form and the Committees evaluation forms to the Chairman of the Company.

The Performance of the individual Directors was reviewed 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 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.

DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

Director Retiring by Rotation

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Nishith Arora, retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. Accordingly, a resolution is included in the Notice of the forthcoming 49th Annual General Meeting of the Company for seeking approval of members for his appointment as a director of the Company.

Changes in the Board and Key Managerial Personnel

Board

Mr. Ambarish Raghuvanshi was appointed as an Independent Director to hold office with effect from May 01, 2018 and up to April 30, 2023 as approved by the shareholders in the 48th AGM of the Company.

Mr. Rahul Arora had been CEO and Whole Time Director of the Company since August 12, 2013. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee appointed him as the Managing Director of the Company for a period of five years with effect from August 12, 2018 to August 11, 2023, subject to the approval of Central Government and shareholders of the Company. The appointment and remuneration of Mr. Rahul Arora was further approved by way of special resolution passed by the shareholders through postal ballot on October 24, 2018 and by the Central Government on January 30, 2019.

Mr. Sunil Shah was appointed as an Additional Independent Director of the Company on December 11, 2018. Thereafter, his appointment for a consecutive term of five years with effect from January 18, 2019 to January 17, 2024 was approved by the Board on January 18, 2019, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

Mr. D.E. Udwadia resigned from the directorship of the Company with effect from March 29, 2019. The Board Members thank him for his guidance and contribution during his tenure of 25 years with the Company.

Mr. Vijay Sood was appointed as an Independent Director of the Company by the members at the 44th AGM of the Company held on August 08, 2014 for a period of five consecutive years commencing from May 22, 2014 to May 21, 2019. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of five consecutive years on the Board of a Company, but shall be eligible for re-appointment subject to approval of the shareholders by passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Based on the recommendation of Nomination and Remuneration Committee, Mr. Vijay Sood, being eligible for re-appointment as an Independent Director was re-appointed as an Independent Director for second term of five consecutive years from May 22, 2019 to May 21, 2024 by the Board, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

The brief details of expertise and other Directorships/ Committee memberships held by the above Directors, form part of the Notice convening the 49th 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 2018-19.

Pursuant to the provisions of Regulation 24A of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 the Secretarial Audit Report of material unlisted subsidiary, shall also be annexed with the Annual Report of the Company.

The Secretarial Audit Report of the Company and its material subsidiary, MPS Interactive Systems Limited for the financial year 2018-19 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 not obtained any secured term loan. The company has provided term loan of ₹23,00,00,000 (Rupees Twenty Three Crores) to its wholly owned subsidiary, MPS Interactive Systems Limited.

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 proceeds of the issue (net of issue expenses) were primarily to augment funds for growth opportunities such as acquisitions and strategic initiatives and for general corporate purposes and any other purposes as may be permissible under applicable law.

We are pleased to share that the QIP funds have been fully utilized for the objects of QIP as detailed below:-

(Figures in Lakhs)

QIP Fund (net of expenses)	14,780
Acquisition of Mag+ companies (net of working capital adjustments)	(2,328)
Acquisition of Think Subscription business	(2756)
Expenses related to acquisition of Tata Interactive Systems	(28)
Closing Balance as on April 01, 2018	11996
Acquisition of Business of Tata Interactive Systems through MPS Interactive Systems Limited	(6784)
Acquisition of Topsim GmBH	(599)
Acquisition of MPS Europa AG	(810)
Expenses related to acquisitions	(84)
Investment in MPS Interactive Systems Limited	(3803)
Closing QIP Fund	0

NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, updated criteria for appointment, performance evaluation and for determining remuneration of Directors, Key Managerial and Senior Management Personnel. The Nomination and Remuneration policy of the Company on Director's appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of Director and other matters as required under sub section (3) of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing obligation and disclosure requirements) Regulations, 2015, is available on our website www.mpslimited.com/investors. The policy has been updated to comply with the amendment in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Policy 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:

a. In the preparation of the Annual Accounts for the financial year ended March 31, 2019, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

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

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

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

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

INTERNAL FINANCIAL CONTROLS

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, in the financial year 2018-19, has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to its company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

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 risks 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 manage the associated risks.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2018-19, 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 financials statements of the Company.

Your Company has formulated a Policy on Related Party Transaction disseminated on the Company's website www.mpslimited.com/investors.

VIGIL MECHANISM

The Company has adopted a "Whistle Blower 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 an issue against such improper conduct. The policy was further revised to enable employees to report instances of leak of unpublished price sensitive information pursuance to Regulation 9(2A)(6) of the SEBI (Prohibition of Insider Trading) Regulations 2015.

Policy has been approved by the Directors and placed on the website of the Company at www.mpslimited.com/investors.

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 have 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, the 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.mpslimited.com.

Your Company has, during the year, evolved various CSR initiatives which includes imparting primary high-quality education to out-of-school underprivileged girls, imparting computer education to underprivileged children, providing tailor 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 challenged 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 detailed 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 OUTGO

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 ₹223.17 crores as against ₹218.18 crores in the previous year ended March 31, 2018. Foreign exchange outgo was ₹21.12 crores as against ₹17.04 crores in the previous year. Thus, the net foreign exchange earned by the Company during the year ended March 31, 2019 was ₹202.05 crores.

SIGNIFICANT DEVELOPMENTS AFTER THE CLOSE OF THE FINANCIAL YEAR

Except for 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 17, 2019

Nishith Arora
Chairman

Annexure A

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24 A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]

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 March 31, 2019 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 March 31, 2019 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;

(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 Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under. There is no Foreign Direct Investment, Overseas Direct Investment and 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 & Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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 & Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 does not arise;

(vi) The Management has identified and confirmed the following Laws as being specifically applicable to the Company.

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

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory auditor, tax auditor, and other designated professionals.

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 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. However, the Company has spent an amount of ₹196.36 lakhs against the amount of ₹196.94 lakhs to be spent during the year towards Corporate Social Responsibility.

We further report that

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

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

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 including Postal Ballot, 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 the above mentioned Company being a Listed entity this report is also issued pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and circular No.CIR/CFD/CMD1/27/2019 dated February 08, 2019 issued by Securities and Exchange Board of India.

We further report that as per the information and explanations provided by the Management, the Company has a Material Unlisted Subsidiary, viz. MPS Interactive Systems Limited, Incorporated in India as defined in Regulation 16(1)(c) and Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that during the audit period, the Company has

1. Obtained the approval of the Board of Directors at their meeting held on April 17, 2018 to invest in MPS Interactive Systems Limited, wholly owned subsidiary of the Company, either by way of equity, preference shares, loans and/or convertible/non-convertible debentures, not exceeding an amount of ₹80,00,00,000 (Rupees Eighty Crores).
2. Obtained the approval of the shareholders at the General Meeting convened by National Company Law Tribunal, Chennai Bench ("NCLT") on October 25, 2018, for Amalgamation between ADI BPO Services Limited (Post Demerger) (Transferor Company) with the Company.
3. Obtained the approval of the Board of Directors at their meeting held on January 18, 2019 to invest and subscribe 4,00,00,000 (Four Crores) equity shares of ₹10 each equivalent to ₹40,00,00,000 (Forty Crores) in MPS Interactive Systems Limited, a Wholly Owned Subsidiary of the Company.
4. Obtained the Approval of Central Government vide letter dated January 30, 2019 for the appointment of Mr. Rahul Arora (a Non-Resident Indian) as a Managing Director of the Company for a period of five years w.e.f. August 12, 2018 to 11th August, 2023.
5. Obtained the unanimous approval of the Board of Directors at their meeting held on December 11, 2018 for withdrawal of Scheme of Amalgamation between ADI BPO Services Limited (Post Demerger) (Transferor Company) with the Company. Further NCLT vide order dated February 01, 2019 has approved the withdrawal of the said Scheme.

For R.Sridharan & Associates
Company Secretaries

CS R.Sridharan
CP No. 3239
FCS No. 4775
UIN : S2003TN063400

Place : Chennai
Date : May 17, 2019

*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'

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

For R.Sridharan & Associates
Company Secretaries

CS R.Sridharan
CP No. 3239
FCS No. 4775
UIN : S2003TN063400

Place : Chennai
Date : May 17, 2019

Annexure A1

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
MPS INTERACTIVE SYSTEMS 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 INTERACTIVE SYSTEMS LIMITED** (hereinafter called **"the Company"**) [Corporate Identification Number: U74999TN2018PLC122594]. 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 period ended on March 31, 2019 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 period ended on March 31, 2019 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on March 31, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) Since the Company is an unlisted Company, the question of complying with the provisions of the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under does not arise;

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

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

(v) Since the Company is an unlisted Company, the question of complying with the provisions of the following Regulations (a to i) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') does not arise:-

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) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

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

h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial auditor, tax auditor and other designated professionals.

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

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.

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 Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors and no Director / Member dissented on the decisions taken at such Board Meetings. 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 during the audit period, the Company has

1. Obtained the approval of the Board of Directors at their meeting held on May 28, 2018
   - to offer and issue 2,19,90,000 (Two Crores Nineteen Lakhs Nineteen Thousand Only) equity shares of ₹10/- (Rupees Ten Only) per share aggregating to ₹21,99,00,000/- (Rupees Twenty One Crores Ninety Nine Lakhs Only) at par on rights basis to the existing Equity shareholders which was allotted on June 18, 2018.
   - To offer and issue 2,20,00,000 (Two Crores Twenty Lakhs Only) 8% Non-Cumulative Redeemable Preference Shares of ₹10/- (Rupees Ten Only) per share aggregating to ₹22,00,00,000/- (Rupees Twenty Two Crores Only) at par on rights basis to the existing Equity shareholders which was allotted on June 18, 2018.
2. Obtained the approval of the Board of Directors at their meeting held on January 16, 2019 to offer and issue 4,00,00,000 (Four Crores) Equity shares of ₹10/- (Rupees Ten Only) per share, aggregating to ₹40,00,00,000/- (Rupees Forty Crores Only) at par on rights basis to the existing Equity shareholders which was allotted on February 18, 2019.

For R.Sridharan & Associates
Company Secretaries

CS R.Sridharan
CP No. 3239
FCS No. 4775
UIN : S2003TN063400

Place : Chennai
Date : May 16, 2019

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'

The Members,
MPS INTERACTIVE SYSTEMS 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 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 Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For R.Sridharan & Associates
Company Secretaries

CS R.Sridharan
CP No. 3239
FCS No. 4775
UIN : S2003TN063400

Place : Chennai
Date : May 16, 2019

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 and recommend to the Board of Director their appointment and removal.
- To determine remuneration based on the Company's size and financial position and 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 retain, motivate and promote talent and to ensure long term sustainability of talented Managerial Persons and create competitive advantage.
    - To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.
    - To recommend to the Board, all remuneration, in whatever form, payable to senior management.

EFFECTIVE DATE:

This policy shall be effective from April 01, 2019.

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 officer/ 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 Managing Director / Whole Time Director/ Manager Chief Executive Officer and shall specifically include the Chief Financial Officer and the Company Secretary. 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, removal 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 and recommend to the Board a policy relating to, the remuneration of the Director, Key Managerial Personnel and other employees.
- Identify persons who are qualified to become Director 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.
- Devise a policy on diversity of Board of Directors.
- Formulate criteria for evaluation of performance of Independent Director and Board of Directors.
- Determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

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, Senior Management 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 has discretion to 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 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 Five 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 Five 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 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 October 01, 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.

c. At the time of appointment of 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.

d. To extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.

- **Evaluation:**

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

- **Removal:**

  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 on the grounds mentioned in the terms of the contract, 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, KMP and Senior Management 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 shall comprise a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals. 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 to be paid to the Whole-time Director 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:

   Commission may be paid as approved by the shareholders, subject to the limit as per the applicable provisions of the Companies Act, 2013.

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 2018-19, percentage increase in remuneration of Managing Director, Chief Executive officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year 2018-19,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#
1	Nishith Arora*	Chairman & Non-Executive Director	Nil	Not Applicable
2	Rahul Arora**	Managing Director	17%	81:1
3	Ms Yamini Tandon***	Non-Executive Director	Nil	Not Applicable
4	Mr Vijay Sood	Independent Director	Nil	Not Applicable
5	Mr. D E Udwadia	Independent Director	Nil	Not Applicable
6	Mr. Ambarish Raghuvanshi	Independent Director	Nil	Not Applicable
7	Mr. Sunil Shah	Independent Director	Nil	Not Applicable
8.	Sunit Malhotra	Chief Financial Officer & Company Secretary	18%	Not Applicable

*Mr Nishith Arora, Chairman and Non-Executive Director of the Company did not receive any sitting fees from the Company.

**Mr Rahul Arora was CEO and Whole Time Director of the Company till August 11, 2018 and was appointed as Managing Director of the Company effective from August 12, 2018. The Appointment is for a term of 5 years w.e.f August 12, 2018 to August 11, 2023 and the Remuneration was approved by the shareholders by way of special resolution passed by postal ballot on October 24, 2018. Percentage increase in remuneration reflected from previous year is due to revision in the salary with effect from August 12, 2018. Also he is being paid remuneration in USD from the US Branch of the Company post his deputation to USA. The salary level at USA is not comparable to the salary level in India.

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

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 2018-19 was ₹2, 68,183

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

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

During the financial year 2018-19, Median Annual Remuneration of employees has increased by 3.3% over the previous financial year.

(iii) **Permanent Employees:**

The Company had 2195 permanent employees on its rolls as on March 31, 2019.

(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 2018-19, average increase in the remuneration of employees was 5%, while the increase in the average managerial remuneration from the previous year was 17%.

(v) **The Company affirms that the remuneration to Directors and employees during the financial year 2018-19 is as per its Remuneration Policy..**

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

1. During the financial year 2018-19, no employee of the Company, 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.
2. During the financial year 2018-19 or part thereof, no employee of the Company received remuneration in excess of the remuneration drawn by Managing Director or Whole-Time Director or Manager and 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.
3. During the financial year 2018-19, 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 17, 2019

Nishith Arora
Chairman

Annexure D

FORM MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products/services	NIC Code of the Product/ service	% to total Turnover of the Company#
Content Solutions • Content Authoring and Development • Content Production • Content Transformation • Fulfillment and Customer Support	620	82%

Platform Solutions
• DigiCore
  • THINK (recent acquisition)
  • mag+ (recent acquisition)
  • ScholarStor (re-launched)
• Technology Services3
	632	18%

#On the basis of gross turnover.

*Company operates in two segments, i.e., Content Solutions and Platform Solutions.

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 31/03/2019	Applicable Section
1	ADI BPO Services Limited	RR Tower IV, Super A, 16/17, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai-600 032	U22110DL2006PLC144592	Holding Company	67.77%	2(46)
2	MPS North America, LLC	5728 Major Blvd., Orlando, Florida 32819	L13000078013	Subsidiary Company	100%	2(87)
3	MPS Interactive Systems Limited*	RR Tower IV, Super A, 16/17, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai-600 032	U74999TN2018PLC122594	Subsidiary Company	100%	2(87)
4	MPS Europa AG	Lindenstrassese 14, 6340 Baar	CHE-101.439.161 (Firm Number)	Subsidiary Company	100%	2(87)
5.	Topsim GmbH	Neckarhalde 55 D- 72070, Tubingen, Germany	HRB 382769 (Local Business Number)	Subsidiary Company	100%	2(87)

*6 shares of MPS Interactive Systems Limited are held by Nominee shareholders of MPS Limited

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 01.04.2018)				No. of shares held at the end of the year (as on 31.03.2019)				% 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)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

S. No.	Category of Shareholders	No. of shares held at the beginning of the year (as on 01.04.2018)				No. of shares held at the end of the year (as on 31.03.2019)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Total shareholding of Promoter (A)= (A)(1)+(A)(2)	**12,616,996**	**-**	**12,616,996**	**67.77**	**12,616,996**	**-**	**12616,996**	**67.77**	**-**
B.	**Public Shareholding**									
(1)	Institutions									
(a)	Mutual Funds	6,49,147	-	6,49,147	3.4868	85,083	-	85,083	0.4570	-3.0298
(b)	Banks/FI	2,125	-	2,125	0.0114	1651	-	1651	0.088	-0.0025
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIIs	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(j)	Any Other	-	-	-	-	-	-	-	-	-
	Alternate Investment Fund	-	-	-	-	-	-	65,333	0.3509	0.3509
	Foreign Portfolio Investor (Corporate) Category I	3,92,114	-	3,92,114	2.1062	3,92,114	-	3,92,114	2.1062	-
	Foreign Portfolio Investors (Corporate) Category II	6,84,773	-	6,84,773	3.6782	7,05,170	-	7,05,170	3.7877	0.1095
	Foreign Portfolio Investors (Corporate) Category III	-	-	-	-	36,000	-	36,000	0.1933	0.1933
	Sub- Total (B)(1)	10,76,887	-	10,76,887	9.2827	12,85,351	-	12,85,351	6.9042	-2.3785

S. No.	Category of Shareholders	No. of shares held at the beginning of the year (as on 01.04.2018)				No. of shares held at the end of the year (as on 31.03.2019)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	Non-Institutions									
(a)	Bodies Corporate	8,47,731	-	8,47,731	4.5535	8,79,589	-	8,79,589	4.7246	0.1711
(i)	Indian	-	-	-	-	-	-	-	-	-
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
I	Individual shareholders holding nominal share capital up to ₹1 lakh	18,31,331	22,250	18,53,581	9.9564	19,10,805	14,347	19,25,152	10.3408	0.3844
II	Individual shareholders holding nominal share capital in excess of ₹1 lakh	8,33,874	-	8,33,874	4.4791	11,17,505	0	11,17,505	6.0026	1.5235
(c)	Others (specify)									
	Directors and Relatives	9,731	-	9,731	0.0522	9,731	-	9,731	0.0522	-
	IEPF	3580	-	3580	0.0192	3,580	-	3,580	0.0192	-
	Hindu Undivided Family	2,51,870	-	2,51,870	1.3529	-	-	-	-	-1.3529
	Non Resident Indians	4,48,871	-	4,48,871	2.4110	5,00,502	-	5,00,502	2.6884	0.2773
	Clearing Members	22,533	-	22,533	0.1210	2,097	-	2097	0.0112	-0.1097
	Resident HUF	-	-	-	-	2,69,423	-	2,69,423	1.4471	1.4471
	TRUSTS	-	-	-	-	7,000	-	7,000	0.0376	0.0376
	Others	7,36,585	-	7,36,585	3.9565	792333	-	792333	4.2559	0.2994
	Sub- Total (B)(2)	42,49,521	22,250	42,71,771	22.9456	47,00,232	14,347	47,14,579	25.3241	2.3785
	Total Public Shareholding (B)= (B)(1)+(B)(2)	5977680	22250	59999000	32.2283	5985583	14,347	59,99,930	32.2283	0.00
(C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	18594676	22250	18616926	100	18602579	14347	18616926	100	0.00

(II) SHAREHOLDING OF PROMOTERS

S. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2018)			Shareholding at the end of the year (as on 31.03.2019)			% 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	-
	Total	**12,616,996**	**67.77**	**NIL**	**12,616,996**	**67.77**	**NIL**	**-**

(III) CHANGE IN PROMOTERS' SHAREHOLDING

S. No.		Shareholding at the beginning of the year (as on 01.04.2018)		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 31.03.2019)			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 of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	ICICI LOMBARD GENERAL INSURANCE COMPANY LTD				
	At the beginning of the year 01-Apr-2018	564575	3.0325	564575	3.0325
	At the end of the Year 31-Mar-2019	564575	3.0325	564575	3.0325
2	GOVERNMENT OF SINGAPORE - E				
	At the beginning of the year 01-Apr-2018	390379	2.0969	390379	2.0969
	At the end of the Year 31-Mar-2019	390379	2.0969	390379	2.0969
3	PINEBRIDGE GLOBAL FUNDS – PINEBRIDGE INDIA EQUITY FUND				
	At the beginning of the year 01-Apr-2018	344493	1.8504	344493	1.8504
	At the end of the Year 31-Mar-2019	344493	1.8504	344493	1.8504

S. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	MUKUL AGRAWAL JT1 : PARAM CAPITAL RESEARCH PVT LTD DP/CL ID: IN30021419901246				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 10-Aug-2018	100000	0.5371	100000	0.5371
	Purchase 30-Nov-2018	45000	0.2417	145000	0.7788
	Purchase 28-Dec-2018	143386	0.7701	288386	1.5490
	At the end of the Year 31-Mar-2019	288386	1.5490	288386	1.5490
4	MUKUL AGRAWAL JT1 : PARAM CAPITAL RESEARCH PVT LTD DP/CL ID: IN30021424195989				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 21-Sep-2018	185000	0.9937	185000	0.9937
	Sale 30-Nov-2018	-41614	0.2235	143386	0.7701
	Sale 28-Dec-2018	-143386	0.7701	0	0.0000
	Purchase 08-Mar-2019	6614	0.0355	6614	0.0355
	Purchase 15-Mar-2019	5000	0.0268	11614	0.0623
	At the end of the Year 31-Mar-2019	11614	0.0623	11614	0.0623
5	PARAMJIT MANN				
	At the beginning of the year 01-Apr-2018	200000	1.0742	200000	1.0742
	Sale 11-May-2018	-535	0.0028	199465	1.0714
	Sale 08-Jun-2018	-733	0.0039	198732	1.0674
	Sale 13-Jul-2018	-448	0.0024	198284	1.0650
	Sale 17-Aug-2018	-447	0.0024	197837	1.0626
	Sale 14-Sep-2018	-186	0.0009	197651	1.0616
	Sale 21-Sep-2018	-258	0.0013	197393	1.0602
	Sale 16-Nov-2018	-605	0.0032	196788	1.0570
	Sale 14-Dec-2018	-540	0.0029	196248	1.0541
	Sale 25-Jan-2019	-350	0.0018	195898	1.0522
	Sale 01-Feb-2019	-1071	0.0057	194827	1.0465
	Sale 22-Feb-2019	-546	0.0029	194281	1.0435
	Sale 15-Mar-2019	-91	0.0004	194190	1.0430
	At the end of the Year 31-Mar-2019	194190	1.0430	194190	1.0430
6	NIHAR NILEKANI				
	At the beginning of the year 01-Apr-2018	119858	0.6438	119858	0.6438
	Purchase 13-Jul-2018	12500	0.0671	132358	0.7109
	Purchase 15-Mar-2019	31000	0.1665	163358	0.8774
	Purchase 22-Mar-2019	19000	0.1020	182358	0.9795
	At the end of the Year 31-Mar-2019	182358	0.9795	182358	0.9795

S. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	PINEBRIDGE INDIA EQUITY FUND				
	At the beginning of the year 01-Apr-2018	162000	0.8701	162000	0.8701
	At the end of the Year 31-Mar-2019	162000	0.8701	162000	0.8701
8	RAMESH S DAMANI				
	At the beginning of the year 01-Apr-2018	115728	0.6216	115728	0.6216
	Sale 18-May-2018	-628	0.0033	115100	0.6182
	At the end of the Year 31-Mar-2019	115100	0.6182	115100	0.6182
9	ASIAN MARKETS SECURITIES PVT LTD. DP/CL ID: 1201400000007200				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 21-Sep-2018	100000	0.5371	100000	0.5371
	Sale 30-Nov-2018	-2500	0.0134	97500	0.5237
	Sale 07-Dec-2018	-2800	0.0150	94700	0.5086
	At the end of the Year 31-Mar-2019	94700	0.5086	94700	0.5086
9	ASIAN MARKETS SECURITIES PVT. LTD DP/CL ID: 1201400000009305				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 07-Dec-2018	2800	0.0150	2800	0.0150
	At the end of the Year 31-Mar-2019	2800	0.0150	2800	0.0150
9	ASIAN MARKETS SECURITIES PVT.LTD CLIENT MARGIN A/C) DP/CL ID: 201400000005106				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 30-Nov-2018	2500	0.0134	2500	0.0134
	At the end of the Year 31-Mar-2019	2500	0.0134	2500	0.0134
10	DILEEP MORESHWAR WAGLE JT1 : VAIJAYANTI DILEEP WAGLE				
	At the beginning of the year 01-Apr-2018	90000	0.4834	90000	0.4834
	At the end of the Year 31-Mar-2019	90000	0.4834	90000	0.4834
	NEW TOP 10 AS ON (31-Mar-2019)				

(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

S. No.	Name of Director/ KMP	Shareholding at the beginning of the year (as on 01.04.2018)		Change in no. of shares during the year			Cumulative Shareholding during the year/at the end of the year (as on 31.03.2019)	
		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)	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	0.0522	-	-	-	9,731	0.0522
4	Rahul Arora (Managing Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Yamini Tandon (Non-Executive Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Ambarish Raghuvanshi** (Independent Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
7	Sunil Munubhai Shah***	Nil	Nil	Nil	Nil	Nil	Nil	Nil
B. Key Managerial Personnel								
1	Sunit Malhotra (Chief Financial Officer &Company Secretary)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

** Resigned as Independent Director with effect from March 29, 2019.*

*** Ambarish Raghuvanshi was appointed as an Independent Director with effect from May 01, 2018.*

**** Sunil Manubhai Shah was appointed as an Independent Director with effect from December 11, 2018. Thereafter, he was appointed for a consecutive term of five years with effect from January 18, 2019.*

V. INDEBTEDNESS

The Company has not availed any term loan from any bank / financial institution during the financial year 2018-19.

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 Rahul Arora# (Managing Director)
1	Gross salary	
	a) Salary as per provisions contained in Section 17(1) of the Income - Tax Act, 1961	Refer note 1
	(b) Value of perquisites under Section 17(2) of Income-Tax Act,1961	-
	c) Profits in lieu of salary under Section 17(3) of Income - Tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - Others, specify	-
5.	Others, please specify	-
	Total (A)	-
	Ceiling as per the Act	₹536.8 lakhs(being 5% of the net profits of the Company for the year ended March 31, 2019 computed as per section 198 of the Companies Act, 2013)

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

(₹ in lacs)

Sl. No	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. D. E. Udwadia	Mr .Vijay Sood	Mr. Ambarish Raghuvanshi	Mr. Sunil Manubhai Shah	
1	Fee for attending Board Committee Meetings	10.20	13.60	8.40	1.40	33.60
2	Commission #	14.12	19.16	11.09	2.01	46.40
3	Others, please specify	-	-	-	-	-
	Total (B)					80.00
	Ceiling as per the Act	Ceiling for the commission is ₹107.36 lakhs (being 1% of the net profits of the Company for the year ended March 31, 2019 computed as per Section 198 of the Companies Act, 2013.)				
	Total Managerial Remuneration (A+B)	Refer Note 1				
	Overall Ceiling as per the Act	₹1180.96 lakhs (being 11% of the net profits of the Company for the year ended March 31, 2019 computed as per Section 198 of the Companies Act, 2013.)				

Note 1: # Mr Rahul Arora was CEO and Whole Time Director of the Company till August 11, 2018 and was appointed as Managing Director of the Company effective from August 12, 2018. The Appointment is for a term of 5 years w.e.f August 12, 2018 to August 11, 2023 and the Remuneration was approved by the shareholders by way of special resolution passed by postal ballot on October 24, 2018. He received a total of ₹228.44 lakhs (including PLB) as remuneration in USD from the branch of the Company at USA, which is not subject to income tax at India under the Income Tax Act, 1961. The salary level at USA is not comparable to the salary level in India.

Note 2: #Commission pertains to the financial year 2018-19, to be paid during the financial year 2019-20.

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

(₹ in lacs)

Sl. No	Particulars of Remuneration	Key Managerial Personnel	
		CEO & Whole Time Director*	CFO & Company Secretary
			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		58.26
	b) Value of perquisites under Section 17(2) of Income - Tax Act, 1961		-
	c) Profits in lieu of salary under Section 17(3) of Income - Tax Act, 1961		-
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission - as % of profit - others, specify		-
5.	Others, please specify		-
	Total		58.26

*Mr Rahul Arora was CEO and Whole Time Director of the Company till August 11, 2018 and was appointed as Managing Director of the Company effective from August 12, 2018.

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

Date: May 17, 2019
Place: Gurugram

Nishith Arora
Chairman

ANNUAL REPORT ON CSR ACTIVITIES OF MPS LIMITED

DURING THE YEAR ENDED MARCH 31, 2019.

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 Corporate Social Responsibility ('CSR') is an integral part of the social performance of the Company. Our CSR activities intend to make a positive difference to society and contribute its share towards the social cause of betterment of the society and the area in which it operates. Our focus areas comprise of education to underprivileged children, healthcare, research, mental illness, empowering poor and marginalized.

In its CSR Policy, the Company encompasses its philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large and empowers MPS to undertake all or any of the activities as specified under Schedule VII to the Companies Act, 2013 (the **"Act"**)

The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of Directors, is available on the Company's website at www.mpslimited.com.

2. Composition of Corporate Social Responsibility Committee

The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The CSR Committee comprises of one Independent Director, the Chairman and Managing Director of the Company. The Members of the Committee are:

Mr. Nishith Arora, (Chairman)

Mr. Vijay Sood, (Independent Director)

Mr. Rahul Arora, (Managing Director)

3. Average net profit of the Company for last three financial years: ₹9847.14 Lakhs

1. Prescribed CSR Expenditure (2% of the amount mentioned at point 3 above): ₹196.94 lakhs.
2. Details of CSR spent during the financial year:
   - (i) Amount spent during the financial year 2018-19: ₹196.36 Lakh
   - (ii) Amount unspent, if any: ₹0.58 Lakhs*

* The marginal shortfall in the approved budget was due to non-receipt of funds request by Sambandh Healthcare Foundation as per approved budget.

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

A. Girls Education through IIMPACT

Education is an essential part of a living being, whether it's a boy or a girl. It helps an individual to be smarter, to learn new things and to know about the facts of the world. Education plays one of the most important roles in Women Empowerment. Education helps women to be more productive in her work. A knowledgeable woman has the skills, information, talent, and self-confidence that she requires to be a superior mother, employee, and resident. 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 various teaching schools, called "Learning Centers" wherein Company covers the cost of running these Learning Centers, such as teachers and other staff salaries, teacher's training, teaching and learning materials for students. 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.

Teachers Training:

In order to ensure successful implementation of the curriculum IIMPACT conducts trainings for teachers on a regular basis. These trainings are primarily aimed at enhancing the knowledge base of the participants thereby enlightening them with different methodologies that can be incorporated in teaching. Education is a continuous process of learning with different experiences in our life and also in our formal education system. It is very important for a teacher that she/he is aware of how a child learns, what should be taught and how he/she can deliver their best in the classroom in spite of all the diversities in the group namely age, physical capabilities, mental diversities, and health and also with the students" background diversities. All over teacher training makes a teacher capable to teach according to the students, ensure subjective concepts are clear and a as result children are confident and disciplined. At the end of each training, the teacher gains a certain set of knowledge and skills to understand how and when various tools best support their curriculum and when should they be introduced in the classroom.

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 2018-19, the Company contributed an amount of ₹103.68 lakhs towards this Project.

B. **Computer Education to Underprivileged Students through Computer Shiksha:**

Computer Shiksha offers computer literacy service programmes as a service to the schools who are already successfully engaging with the communities but do not have assets and resource capabilities to produce an effective digital literacy programme. With a dream to bridge the digital divide in country they intend catering to all sections of society which are not computer literate. Started at the bottom of the pyramid by enabling those who have the least hope of getting computer literate in the near future. Computer Shiksha is currently operational 230 CS enabled centers across eleven providing world class computer education to 40000+ children from under-served communities in 13 different states and expanding fast.

Computer Shiksha won The best NGO AWARD amongst SAARC countries in Learning & Education category and also has been certified to be having 'Desirable Norms prescribed for Good Governance of voluntary organizations" by CAI, Credibility Alliance, a global organization certifying NGOs.

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 2018-19, the Company contributed an amount of ₹24.00 lakhs towards this Project.

C. **Mental Health Care through Sambandh:**

Mental disorder nowadays has become a major concern all over the world. Mental Disorder is estimated to be the second largest cause of morbidity and mortality. Today in India the attention given to mental health is grossly inadequate. The absence of a strategic plan, the dire lack of mental health resources, inadequate number of health professionals, including psychiatrists and mental health professionals, deeply rooted beliefs that mental illness can be treated by faith or traditional healers, together with the pervasive stigma leaves both families and their loved ones suffering in silence.

Sambandh has successfully completed three years, with the support of MPS Limited in the villages under community mental health programme. With the vision to provide, support to people, living with serious mental illness and their families. The programme also develops community support structures with their community

Sambandh Health Foundation is a charitable trust dedicated to understanding mental illness and addressing mental health issues in India. The objectives encompass building 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 Health Foundation is successfully running a community mental health programs in Gurgaon for the last five years. The program draws upon the recovery research, strengths based practices, and the principles of community development. The programs and activities facilitate the capacity of to gain life skills, make social connections, and rebuild bonds with their natural communities. This is accomplished by building social skills, confidence, facilitating social inclusion and the independence to choose desired life paths. Sambandh initially initiated such activities from a Community Integrated Center (CIC) from a government polyclinic in Gurgaon. 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 for past several years. Sambandh current project areas are:

- Gurgaon Gaon
- Gandhi Nagar (including Shivji Park, Sakti Park and Om Nagar)
- Basai (including Basai Enclave, Bhawani Enclave)
- Jharsa.

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 2018-19, the Company contributed an amount of ₹26.02 lakhs towards this Project.

D. **Imparting Higher Values of Life through Vedanta Cultural Foundation:**

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 (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 2018-19 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 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.

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 2018-19, the Company contributed an amount of ₹20 lakhs towards this Project.

E. **Care Centers for Physically Challenged Children**

During the financial year 2018-19, the Company continued to provide financial assistance 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 through a registered charitable trust "Prem Charitable Trust".

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 2018-19, the Company contributed an amount of ₹12 lakhs towards this Project.

F. **Empower the poor and the marginalized SAPNA**

During the financial year 2018-19 Company associated in the new Project "Empowering the poor and marginalized" through NGO Sapna, a registered charitable trust, engaged, inter-alia, to work towards the creation of a just and equitable society, empowering of the poor and marginalized communities, to create public awareness and participation in the social and economic up-liftment of society and to work in the area of health and medical aid, sanitation, education, self-employment, social welfare & community development.

The project supported by the Company will give a short stay to sick and destitute, a project of NGO Sapna Anandam (A home for Sick and Destitute).

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 2018-19, the Company contributed an amount of ₹5.66 lakhs towards this Project.

G. **Imparting High Values of Life through Vedanta Institute Delhi**

During the financial year 2018-19 Company associated with the new Project with Vedanta Institute Delhi, a Public Charitable Trust registered in Delhi, to promote, advance, diffuse, and propagate education, knowledge and research in philosophy, culture, heritage, Vedanta allied subjects in India and Abroad and to make available financial aid or other assistance in any manner in India and abroad for the knowledge, study, education, and research of philosophy, culture, heritage, Vedanta and allied subjects.

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 2018-19, the Company contributed an amount of ₹5.00 lakhs towards this Project

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 MPS Limited Girls Education Project	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Project is being carried on in local as well as other areas. Project is being carried on in rural areas in various districts of Uttarakhand, Himachal Pradesh, Haryana & Rajasthan	₹1 Lakh/- per Learning Center per annum.	Direct Expense: ₹103.68 lakhs Overheads: Nil	₹103.68 lakhs	Through implementing agency: IIMPACT
2	Imparting High Values of Life in youths through educational programs and lectures	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Project is being carried on in local as well as other areas. Project is being carried on in Maharashtra and other various locations in India.	₹20 lakhs	Direct Expense: ₹20 lakhs Overheads: Nil	₹20 lakhs	Through implementing agency: Vedanta Cultural Foundation
3	Imparting free 'Computer Education' to underprivileged students	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Project is being carried on in local as well as other areas. Project is being carried on in Gurgaon, Haryana, Rajasthan, UP and Punjab.	₹24 lakhs	Direct Expense: ₹24 Lakhs Overheads: Nil	₹24 lakhs	Through implementing agency: Computer Shiksha
4	Addressing **"Mental Health Care"**	Promoting preventive health care.	Project is being carried on in local area. Project is being carried on in the villages of Gurgaon district	₹26.60 lakhs	Direct Expense: ₹26.02 Overheads: Nil	₹26.02 lakhs	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	₹12 Lakhs	Direct Expense: ₹12 Lakhs Overheads: Nil	₹12 Lakhs	Through implementing agency: Prem Charitable Trust
6	Imparting High Values of Life in youths through educational programs and lectures	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Project is being carried on in local as well as other areas.	₹5 Lakhs	Direct Expense: ₹5 Lakhs Overheads: Nil	₹5 Lakhs	Through implementing agency: Vedanta Institute Delhi
7	Empower the poor and the marginalized			₹5.66 Lakhs	Direct Expense:	₹5.66 Lakhs	Through implementing agency: NGO Sapna
	TOTAL	-	-	-		196.36 Lakhs	-

Responsibility Statement:

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

For MPS Limited

Nishith Arora
(Chairman - CSR Committee)

Rahul Arora
Managing Director

Date: May 17, 2019
Place: Gurugram

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

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

1.	Specific areas in which R & D was carried out by the Company	• A new product branded as 'MPSReview' launched for Manuscript Submission and Review. This addresses long pending market demand and makes our solution comprehensive. • Advanced analytics and reporting dashboards • Rights and Permission Management System • Content Profiling to check the complexity of content • HTML5/CSS based auto composition • Further automation in the composition engine and quality checking tools • PDF automation tools • Optimization of production process and workflow • Custom Development and QA projects for customers • Technology migration • Digital Asset Management integrated with MPSTrak • Enhancements done on ScholarStor • Custom Development and QA projects for customers: - Advanced editing and XML generation tools - Advanced graphics automation tools - Advanced server based auto composition systems - Implementation of workflows / processes with more automation - Cloud based systems including remote workspace
2.	Benefits derived from the above	• Improved competitive positioning • Improved business continuity at optimized cost • Improved communication standards and cost efficiency • Improvement in quality and consistency of service deliveries • Improved productivity with lean workflow
3.	Future plan of action	• Enhancing DigiCore platform as per project roadmap • Further enhancing security of cloud architecture and platforms • HTML5-based composition system with automated quality tools • Further leverage of HTML5 for providing enhanced experience and powering interactive products • Migration of more systems to cloud with increased scalability and availability • Centralization of key processes for cost efficiency • Improved process automation resulting in increased productivity
4.	Expenditure on R & D result	Expenses on R&D towards development and enhancement of platforms like DigiCore (Digital Publishing Platform), Ms Submission and Peer Review and Rights & Permissions Management System.

Technology Absorption, Adaptation and Innovation

1.	Efforts in brief made towards technology absorption, adaptation, and innovation.	• Implementing projects using latest technologies like Machine Learning, Artificial Intelligence and Natural Language Processing for achieving higher automation and reducing touch time • Development and implementation of innovative cloud-based systems for end-to-end publishing services • Adoption of PCI-DSS standards of security • Implementation of ITIL process frame work and IS 27001 • Implementation of deep security processes for key applications
2.	Benefits derived from the above	• Increased value addition to customers leading to higher satisfaction • Tangible benefits to clients in terms of reducing time to publish and increasing productivity • More secured and scalable products • Improved customer interests and associated service/technology requests from various customers • Standardization of measurement techniques and information flows • Ability to produce and deliver larger value at existing resource level
3.	Imported Technology	No technologies were imported

For and on behalf of the Board of Directors

Gurugram
May 17, 2019

Nishith Arora
Chairman

CORPORATE GOVERNANCE REPORT

In terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulation"), given below is a Corporate Governance Report on the matters mentioned in the Schedule V of the Listing Regulation.

MPS PHILOSOPHY ON CODE OF GOVERNANCE

MPS Limited (**"MPS" or "Company"**) corporate governance ensures high standards of transparency, accountability, ethical operating practices and professional management thereby enhancing shareholder's value and protecting the interest of the stakeholders such as shareholders, suppliers, customers and employees. The Company is committed to good Corporate Governance, based on an effective Independent Board, separation of supervisory role from the executive management and constitution of Committees to oversee critical areas thus upholding the standards practically at every sphere ranging from action plan to performance measurement and customer satisfaction. The philosophy of the Company is in consonance with the accepted principles of good governance.

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. At MPS, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation.

The Board of Directors is responsible for and committed to sound principles of Corporate Governance in the Company. The Board of Directors plays a crucial role in overseeing how the Management serves the short and long-term interests of Members and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

GOVERNANCE STRUCTURE

With a strong governance philosophy, we have a multi tier governance structure with defined roles and responsibilities of every constituent of the system.

Shareholders

The Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), BSE and NSE Listed Company prescribe the governance mechanism by shareholders in terms of passing of ordinary and special resolutions, voting rights, declaration of dividend, etc. Your Company follows a robust process to ensure that the shareholders of the Company are well informed of Board decisions both on financial and non-financial information and adequate notice with a detailed explanation is sent to the shareholders well in advance to obtain necessary approvals.

Board of Directors

The shareholder's appoint the Board of Directors (the Board) for strategic supervision and governance of the Company. The Board provides leadership, strategic guidance, objective and independent view of the company's management on behalf of the shareholders and other stakeholders, and hence, plays a vital role in the oversight of the Company's management. The Board ensures the highest standards of Corporate Governance and transparency in the Company's functioning. Independent Directors help to maintain the independence of the Board and separate the Board functions of governance from business management.

Board Committees

To effectively discharge its obligations and comply with the statutory requirements, the Board constituted five committees. All the committees have been mandated to operate within the given terms of reference. The details about the Board Committees have been discussed in subsequent sections in the report.

Chairman

The Chairman acts as a leader of the Board and presides over the meetings of the Board and Shareholders. The primary responsibility of the Chairman is to ensure that the Board is effective in its task of setting and implementing the Company's strategy.

Managing Director

The management of the operations rests with the Managing Director of the Company. He is responsible for the business performance, driving growth and implementation of strategic decision taken at the Board levels. As the Managing Director he balance growth imperatives with the margin and return on capital thresholds, executing roadmap to maintain momentum across the global markets in which it operates, augmenting the capabilities in operations and support function.

Size and Composition of Board of Directors

MPS Board represents an appropriate mix of executive, non-executive and independent directors to maintain its independence and separates its functions of Governance and Management, which in addition to compliance with the Companies Act, 2013 (Act), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations), is in line with best practices of Corporate Governance. Listing agreement mandates that for a Company with a Non-Executive chairman, who is a promoter, at least half of the Board should consist of Independent Directors. As on March 31, 2019, the Board consists of six Directors, of which one is Executive Director, two including the Chairman are Non-Executive Directors and a Woman Director, and three are Independent Directors.

Statutory details of the Directors, including the directorships held by them in other listed companies and their committee memberships/chairmanships in other public companies as on March 31, 2019, are given below:

Director's Name	Category	No. of Directorships and Committee Memberships in other Indian Companies (Excluding MPS)[1]			
		Directorships		Committee Memberships	
		As Chairman	As Member	As Chairman	As Member
Mr. Nishith Arora DIN: 00227593	Non-Executive Chairman	Nil	2	Nil	Nil
Mr. Vijay Sood DIN: 01473455	Independent	Nil	1	Nil	Nil
Mr. Ambarish Raghuvanshi DIN: 00233858	Independent	Nil	Nil	Nil	Nil
Mr. Sunil Manubhai Shah DIN: 00137105	Independent	Nil	Nil	Nil	Nil
Mr. Rahul Arora DIN: 05353333	Managing Director	Nil	2	Nil	Nil
Ms. Yamini Tandon DIN: 06937633	Non-Executive	Nil	Nil	Nil	Nil

[1]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.
- Represents Membership(s) / Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies.

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

All the Independent Directors of the Company meet the baseline definition of Independent Director and is in conformity with the requirements of Schedule IV to the Companies Act, 2013 (the **"Act"**) and Regulation 17 of the Listing Regulations. At the beginning of each financial year, the Independent Directors submit a self-declaration, conforming their independence and compliance with various eligibility criteria, among other disclosures. All such declarations are placed before the Board for information and noting. None of the Independent Directors is related to the promoter or other Directors of the Company.

The Independent Directors are given a formal letter of appointment containing the terms of appointment, roles, duties and code of conduct. Terms and conditions of the appointment of Independent Directors have been disseminated on the website of the Company at http://www.mpslimited.com/corporate-governance/

Meeting of Independent Directors

During the financial year 2018-19, Independent Directors met once separately on January 18, 2019 without the presence of Executive / Non Independent Directors and members of Management and evaluated:

1. the performance of Non Independent Directors, Managing Director, the Board and the committees thereof;
2. the performance of the Chairman, taking into account the views of Executive and Non-Executive Directors; and
3. The quality, quantity 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 were communicated to the Chairman of the Board by the Chairman of Nomination and Remuneration committee.

Familiarization Programme for Independent Directors

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

Details of such familiarization programs are posted on the website of the Company at http://www.mpslimited.com/corporate-governance/

Board Meetings and its Procedures

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy in addition to the Statutory and other matters. The Board meets at least four times a year. Additional meetings are convened as and when required to address any specific business requirement. The Board and Committee meetings are pre-scheduled and an annual calendar of the meetings is circulated to the Directors well in advance to facilitate the planning of their schedule and ensure meaningful participation in the meetings. However, in case of special and urgent business needs, the Board's approval is taken by passing resolution by circulation to the Board Members. The circular resolutions are noted and confirmed in the next Board Meeting.

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 along with 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 and Chief Financial Officer on the business matters requiring Board approval. Inputs, guidance and feedback of the Chairman and Managing Director are taken in selection of agenda items. In special and exceptional circumstances, additional or supplementary items(s) are taken up as 'any other item' with the permission of the Chairman and consent of the majority of Board members / Committee members present in the meeting. In case it is not feasible for any of the Directors 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.

Number of Board Meetings held

The Board met seven times during the financial year 2018-19 i.e., April 17, 2018, April 24, 2018, May 23, 2018, July 26, 2018, October 20, 2018, December 11, 2018 and January 18, 2019.

The necessary quorum was present at all the meetings.

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:

- Quarterly Unaudited and Annual Audited Standalone and Consolidated financial results
- Minutes of the meetings of the Audit Committee and all other committees of the Board
- Minutes of the meetings of material subsidiary companies and statement of all the significant transactions and arrangements entered into with the unlisted subsidiary company
- Appointment and resignation of senior management including Chief Financial Officer and Company Secretary
- Appointment and resignation of Directors and their remuneration
- Related party transactions of material nature
- Disclosure of Directors' interest
- Details of material litigation including any show cause and penalty notices of material nature
- Statutory Compliance reports from Chief Financial Officer and Compliance Officer on the applicable laws and regulations
- Summary of significant shareholdings
- Acquisition opportunities including details of payment toward assets and goodwill
- Sale of investments, subsidiaries and assets that 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
- Budget including consolidated budget of all its subsidiaries

During the Financial Year 2018-19, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration. The Board periodically reviews the compliance reports of all laws applicable to the Company.

Chief Financial Officer & Company Secretary, Compliance Officer and Finance Controller attend 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 other related matters.

Post Board Meetings

Post Board meeting, decisions taken at the meetings are communicated to the concerned business units. Thereafter a rigorous 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 circulates 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 true 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 2018-19, the Board met seven times on April 17, 2018, April 24, 2018, May 23, 2018, July 26, 2018, October 20, 2018, December 11, 2018 and January 18, 2019. The maximum time gap between the two consecutive Board Meetings never exceeded 120 days.

Directors	Mr. Nishith Arora	[1]Mr. D. E. Udwadia	Mr. Vijay Sood	Mr. Ambarish Raghuvanshi	Mr. Sunil Shah	Mr. Rahul Arora	Ms. Yamini Tandon
No. of Meetings held	7	7	7	5	1	7	7
No. of Meetings Attended	7	6	7	5	1	6	4
Attended last AGM held on July 19, 2018	Yes	Yes	Yes	Yes	No	Yes	Yes

[1]Mr. D. E. Udwadia resigned from the Board and Committees with effect from March 29, 2019

DIRECTORS' INTEREST IN THE COMPANY

Shareholding of Directors as on March 31, 2019:

Directors	Mr. Nishith Arora	[1]Mr. D. E. Udwadia	Mr. Vijay Sood	Mr. Ambarish Raghuvanshi	Mr. Sunil Shah	Mr. Rahul Arora	Ms. Yamini Tandon
Number of Shares held	Nil	Nil	Nil	9731	Nil	Nil	Nil

BOARD COMMITTEES

The Board Committees are set up by the Board and governed by its terms of reference which exhibit the scope, composition, functioning and reporting parameters. 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 and responsibilities. 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.

1. AUDIT COMMITTEE

Composition, Meetings and Attendance

Composition of the Audit Committee confirms the requirements of Section 177 of the Act and the Listing Regulations. It comprises of four directors, of whom three are Independent Director. All the members of the Audit Committee are financially literate whereas the Chairman of the Committee Mr. Vijay Sood, and Mr. Ambarish Raghuvanshi, Member of the Committee, has expertise in accounting and financial management.

During the financial year 2018-19, the Audit Committee met four times on May 23, 2018, July 27, 2018, October 20, 2018 and January 18, 2019.

The necessary quorum was present at all the meetings.

The composition and the attendance of members at the Audit Committee meetings held during the financial year 2018-19, are given below:

Members	Position and Category	No. of Meetings held	No. of Meetings Attended
Mr. Vijay Sood	Chairman– Independent Director	4	4
[1]Mr. D. E. Udwadia*	Member- Independent Director	4	3
Mr. Nishith Arora	Member-Non-Executive Director	4	4
Mr. Ambarish Raghuvanshi	Member- Independent Director	4	4

*Mr. D.E. Udwadia could not attend the meeting of the Audit Committee held on October 20, 2018.

[1]Mr. D. E. Udwadia resigned from the Board and Committees with effect from March 29, 2019

Chief Financial Officer, Compliance Officer and the Finance Controller are permanent invitees to the Audit Committee meetings. Managing Director is also present at 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 2018-19. 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 the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement are correct, sufficient, and credible
- Reviewing, with the management, the annual and quarterly financial statements and auditor's report thereon before submission to the Board for approval
- Recommending to the Board, the appointment, remuneration and terms of appointment of the statutory and internal auditors of the Company
- Reviewing and monitoring the auditor's independence and performance and effectiveness of the audit process
- Approving payment to statutory auditors for any other services rendered by the statutory auditors
- Reviewing the application of funds raised through public issue, rights issue, preferential issue, etc. and related matters
- Approving, recommending or any subsequent modification of transactions of the Company with related parties as applicable
- Scrutinizing inter-corporate loans and investments
- Approving the valuation of undertakings or assets of the Company, whenever it is necessary
- Reviewing the Internal Audit Reports
- 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
- Approving the appointment of Chief Financial Officer after assessing the qualifications, experience, suitability and background, etc. of the candidate.

The Audit Committee considers the matters which are specifically referred to it by the Board of Directors besides considering the mandatory requirements of the Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations and provisions of Section 177 of the Act.

The Audit Committee provides assurance related to the adequacy of internal financial control systems and financial disclosures to the Board.

2. NOMINATION AND REMUNERATION COMMITTEE

Composition, Meetings and Attendance

Composition of the Nomination and Remuneration Committee meets the requirements of Section 178 of the Act and the Listing Regulations. It comprises of three directors of whom two are Independent Directors. During the financial year 2018-19, the Nomination and Remuneration Committee met four times on April 17, 2018, May 23, 2018. July 27, 2018 and December 11, 2018.

The composition and the attendance of members at the Nomination & Remuneration Committee meetings held during the financial year 2018-19, are given below :-

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

[1]Mr. D. E. Udwadia resigned from the Board and Committees with effect from March 29, 2019.

Role/Terms of Reference

Terms of Reference of the Nomination and Remuneration Committee as per the requirements of the Act and the Listing Regulations include the following:

- Formulation 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 Committees 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 commission to Non-Executive Directors
- Identifying persons who are qualified to become Directors and/or 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.
- To extend or continue the term of an Independent Director on the basis of the report of performance evaluation of the Independent Director.

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.mpslimited.com/corporate-governance/ Remuneration to the Non-Executive 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 Directors is 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:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend candidates to the Board when circumstances warrant the appointment of a new Director, having regard to qualifications, integrity, expertise and experience for the position.
- Identify persons who are qualified to become Director 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, appointment (including terms thereof), remuneration and removal of Director, KMP and Senior Management Personnel.
- Make recommendation to the Board on appropriate performance criteria for the Directors and formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.
- Establish and review Board, KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.
- Assist the Board in ensuring the Board nomination process is in line with the diversity policy of the Board relating to gender, thought, experience, knowledge and perspectives.
- determining remuneration of Directors, Senior Management, and Key Managerial Personnel
- To extend or continue the term of an Independent Director on the basis of the report of performance evaluation of the Independent Director.

Directors' Performance Evaluation Policy

The Nomination and Remuneration Committee has laid down the process and mechanism for evaluating the performance of the Board, its Committees, individual Directors and Chairman of the Board. The Board has carried out annual performance evaluation of the Board, its committees, individual Directors including the Chairman of the Board, as per its policy. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated.

Directors' Remuneration during the Financial Year 2018-19

Non-Executive Directors are paid remuneration by way of sitting fees for attending each meeting and commission based on the criteria laid down by the Nomination and Remuneration Committee and the Board. 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 at present.

Directors	Mr. Nishith Arora[1]	Mr. D. E. Udwadia[1]	Mr. Vijay Sood	Mr. Ambarish Raghuvanshi	Mr. Sunil Shah	Mr. Rahul Arora	Ms. Yamini Tandon
Business Relationship with the Company, if any	Promoter & Director of holding company, ADI BPO Services Limited[2]	Nil	Nil	Nil	Nil	Director of holding company, ADI BPO Services Limited[2]	Nil
	Remuneration during the year ended March 31, 2019 (in Rupees lakhs)						
Sitting Fees	Nil	10.2	13.6	8.4	1.4	Nil	Nil
Salary and Perks	Nil	Nil	Nil	Nil	Nil	228[3]	Nil
Commission[4]	Nil	14.12	19.17	11.09	2.01	Nil	Nil
Total	Nil						
Severance / Notice Period	-	-	-	-	-	180 days as per the agreement or otherwise decided by the Board	-

[1]Mr. D. E. Udwadia resigned from the Board and Committees with effect from March 29, 2019. During the year ended March 31, 2019, the company paid ₹0.57 lakhs 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. D. E. Udwadia as a Director of the Company.

[2]During the year ended March 31, 2019, the Company paid ₹211.8 lakhs 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 the Dehradun facility taken on lease and the charges for infrastructure services provided by ADI BPO.

[3]Remuneration to Mr. Rahul Arora, is paid from the US Branch of the Company. It includes Performance Linked Bonus(PLB)100% provided in the accounts for the financial year 2018-19 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, profitability, service delivery & quality, and innovation. The actual PLB is recommended by the Nomination and Remuneration Committee and approved by the Board. This will be paid during the financial year 2019-20.

[4]Commission to the Non-Executive Directors for the financial year 2018-19 will be paid, subject to deduction of tax, during the financial year 2019-20, after adoption of the Annual Audited Financials 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, Meetings and Attendance

Stakeholder Relationship Committee comprises three directors. All the members including the Chairman are Non – Executive Directors. Composition of the Stakeholders Relationship Committee, given hereunder, is in compliance with Section 178 and Listing Regulations. During the financial year 2018-19, the Stakeholders Relationship Committee met once on January 18, 2019.

The Committee is headed by Mr. Nishith Arora, Chairman and Non – Executive Director of the Company.

The composition and the attendance of members at the Stakeholder Relationship Committee meetings held during the financial year 2018-19, are given below:

Members	Position and Category	No. of Meetings held	No. of Meetings Attended
Mr. Nishith Arora	Chairman-Independent Director	1	1
Mr. Ambarish Raghuvanshi	Member - Non Executive Director	1	1
Ms. Yamini Tandon	Member - Non Executive Director	0	0

*Ms. Yamini Tandon was appointed as the Member of the Stakeholder Relationship Committee with effect from January 18, 2019.

Role/Terms of Reference

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Compliance Officer

Ms. Shiwani Dayal is the Compliance Officer with effect from March 23, 2019 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@mpslimited.com

Stakeholders Grievance Redressal

Legal and Secretarial Department and the Registrar and Share Transfer Agents attend to all grievances received from the shareholders either directly or through SEBI Complaints Redress System (SCORES), Stock Exchanges and Registrar of Companies. Efforts are made to ensure that all the grievances of the shareholders are redressed expeditiously and satisfactorily.

As per the Securities and Exchange Board of India (SEBI) Circular reference No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20/04/2018, all the listed companies have been advised to send a communication to all its shareholders, who are holding shares in physical form through their Registrars and Transfer Agent (RTA), to obtain copy of the Permanent Account Number card of all the holders and Bank account details of the first / sole shareholder of the company. The Company sent a communication (i.e. Initial Letter for Pan & Bank Mandated) on June 23, 2018 by Speed Post to 71 shareholders, followed by First Reminder letter (i.e. First Reminder Letter for Pan/Bank Mandate & Compulsory Demat) on October 26, 2018 to 69 shareholders through ordinary post and the Second & Final reminder letter on January 12, 2019 to 69 shareholders through Ordinary Post.

Company has voluntarily taken efforts to contact through emails on monthly basis to the shareholders whose dividend is lying in the unpaid dividend accounts.

Details of the complaints received from the shareholders and redressed upto their satisfaction during the financial year 2018-19 is as follows:

No. of complaints pending at the beginning of the financial year i.e. April 1, 2018	Nil
No. of complaints received during the financial year	4
No. of complaints resolved during the financial year	4
Complaints pending at the end of the financial year i.e. March 31, 2019	Nil

A separate e-mail ID, investors@mpslimited.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, Meeting and Attendance

The Corporate Social Responsibility Committee currently comprises of three Directors. Composition of Corporate Social Responsibility (**"CSR"**) Committee confirms to the requirements of Section 135 of the Act. During the financial year 2018-19, the Corporate Social Responsibility Committee met twice on May 23, 2018 and March 28, 2019.

The CSR Report as required under the Act for the year ended March 31, 2019 is attached as Annexure I to the Board's Report.

The composition and the attendance of members at the CSR Committee meeting held during the financial year 2018-19, are given below:

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

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 define the focus areas and indicate the activities to be undertaken by the Company under its Corporate Social Responsibility program as detailed in Schedule VII to the Act
- Recommend to the Board necessary amendments, if any, in the CSR policy from time to time
- 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 that assesses and analyses the Company's investment proposals and provides its recommendations to the Board.

During the financial year 2018-19, Investment Committee Members met once on April 16, 2018.

SUBSIDIARY COMPANY

The Company has the below subsidiary companies:

- MPS North America LLC in USA
- MPS Interactive Systems Limited in India
- MPS Europa AG in Switzerland
- Topsim GmbH in Germany

As per regulation 24 of the Listing regulations minutes of the unlisted subsidiary companies and all the significant transactions and arrangements entered into by unlisted subsidiary companies are reported to the Board. Audit Committee also reviews the financial statements of, and investments made by, the subsidiary companies.

Atleast one Independent Director on the Board of Directors of Listed Entity shall be a director on the Board of an Unlisted Material Subsidiary, whether incorporated in India or not. To comply with this Regulation Mr. Vijay Sood was appointed as an Independent Director in MPS Interactive Systems Limited.

MPS North America LLC is also an Unlisted Material Subsidiary of the Company but the appointment of Independent Director in the Board of MPS North America LLC, is not applicable as per the Regulation 24(1) of the SEBI (Listing Obligations and Disclosure Requirements)..

CODE OF CONDUCT

The Board has adopted a Code of Conduct (the "Code") for its business and operations. The Code is applicable to the Directors 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.mpslimited.com/corporate-governance

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, 2019.

The Managing Director has provided the following declaration to this effect:

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 2018-19 and there has been no instances of violation of the Code."

Rahul Arora
Managing Director
May 17, 2019

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
2015-16	Tuesday, July 19, 2016 Time: 03:00 P.M.	Raintree Hotels, 636 Anna Salai, Teynampet, Chennai – 600035, Tamilnadu	• Approval for payment of commission to Non-Executive Directors for a period of five years.
2016-17	Wednesday, July 19, 2017 Time: 03:00 P.M.	Raintree Hotels, 636 Anna Salai, Teynampet, Chennai – 600035, Tamilnadu	• Approval for investment under section 186 of the Companies Act 2013
2017-18	Wednesday, July 27, 2018 Time: 02:30 P.M.	Raintree Hotels, 636 Anna Salai, Teynampet, Chennai – 600035, Tamilnadu	• No special resolution was passed in the financial year 2017-18.

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 27, 2018.

Details of resolutions passed through Postal Ballot in the Financial Year 2018-19 and details of the Voting pattern:

During the year, the Members by Special Resolution had approved for appointment of Mr. Rahul Arora as the Managing Director of the Company through Postal Ballot. The Board had appointed Mr. R. Sridharan, Practicing Company Secretary as the Scrutinizer to conduct the Postal Ballot process. The Results of Postal Ballot were declared on October 25, 2018 and the Members passed the Special Resolution with requisite majority.

The Members had also considered and approved the scheme of amalgamation of the ADI BPO Services Limited ('Transferor Company') (Post demerger of its Infrastructure Management Business Undertaking into ADI Media Private Limited) with MPS Limited ('Transferee Company') and their respective shareholders and creditors. The Board had appointed Mr. R. Sridharan, Practicing Company Secretary as the Scrutinizer to conduct the Postal Ballot process. The Results of Postal Ballot were declared on October 25, 2018 and the Members passed the Resolution with requisite majority.

Shareholders were given the facility of e-Voting, which commenced on Tuesday, September 25, 2018 (9:00 AM) (IST) and ended on Wednesday, October 24, 2018 (5:00 PM) (IST). The shareholders were advised to return the duly filled and signed ballot papers indicating their assent (for) or dissent (against) to the proposed Special Resolution.

Procedure of Postal Ballot

The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The Shareholders are provided the facility to vote either by physical ballot or through e-voting. The postal ballot notice is sent to the shareholders in electronic form to the email addresses registered with the depository (in case of electronic shareholding)/the Company's Registrar and Share Transfer Agents (in case of physical shareholding). For shareholders whose email IDs are not registered, physical copies of the postal ballot notice are sent by permitted mode along with a postage prepaid self-addressed business reply envelope. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013.

The Company fixes a cut-off date to reckon paid-up value of equity shares registered in the name of shareholders for the purpose of voting. Shareholders may cast their votes through e-voting during the voting period fixed for this purpose. Alternatively, shareholders may exercise their votes through physical ballot by sending duly completed and signed forms so as to reach the scrutinizer before a specified date and time. After completion of scrutiny of votes, the scrutinizer submits his report to the Chairman and the results of voting by postal ballot are announced by the Chairman or any Director of the Company duly authorized within 48 hours of conclusion of the voting period. The results are also displayed on the website of the Company (www.mpslimited.com), besides being communicated to the Stock Exchanges, and Registrar and Share Transfer Agents. The resolutions, if passed by the requisite majority are deemed to have been passed on the last date specified for receipt of duly completed postal ballot forms or e-voting.

Unclaimed Dividends and Transfer to IEPF

Pursuant to the applicable provisions of the Companies Act 2013 read with of Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid or unclaimed dividend are required to be transferred by the Company to the Investors Education and Protection Fund (IEPF) established by the Central Government of India, after the completion of seven years. Further, according to Section 124(6) of the Companies Act, 2013 and the rules made there in, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF.

Accordingly during the year under review, Company has transferred an amount of ₹96,616 unpaid or unclaimed interim dividend for the Financial Year 2011-12 on March 02, 2019 to the Investors Education and Protection Fund established by the Central Government under Section 125 of the Act. The Company has transferred 247 shares to IEPF for which dividend has not been paid or claimed for seven consecutive years.

Details regarding unclaimed dividend lying with the Company as on July 27, 2018 (date of last Annual General Meeting) has been updated on the website of the Company, (www.mpslimited.com/investors) and also on the website of Ministry of Corporate Affairs. 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 claiming the same. The contact details of the RTA are provided in the Annual Report as well as on the Company's website.

GENERALSHAREHOLDERSINFORMATION

a. Annual General Meeting

Day, Date and Time	Wednesday, July 24, 2019 at 2:30 P.M
Venue	The Raintree Hotel, Anna Salai, 636, Teynampet, Chennai 600 035, Tamilnadu
Date of Book closure	July 18, 2019 (Thursday) to July 24, 2019 (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 2019-20 is given below:

Results for the Quarter/Year ending	Date of Declaration
June 30, 2019	On or before August 14, 2019
September 30, 2019	On or before November 14, 2019
December 31, 2019	On or before February 14, 2020
March 31, 2020 (Annual Audited)	On or before May 30, 2020

c. Dividend

The Board of Directors have recommended dividend of ₹25 per equity share (face value ₹10 per equity share) ₹56.11 Crores including dividend distribution tax, for the financial year 2018 -2019. The dividend is subject to the approval of shareholders at the ensuing Annual General Meeting of the Company and will be paid within statutory period, to the members whose names appear in the Register of Members, as on Wednesday, July 17, 2019. The Register of Members & Share Transfer Books of the Company shall remain closed from Thursday, July 18, 2019 to Wednesday, July 24, 2019 (both days inclusive) for the purpose of dividend and Annual General Meeting of the Company

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 both the Stock Exchanges, for the financial year 2019-20.

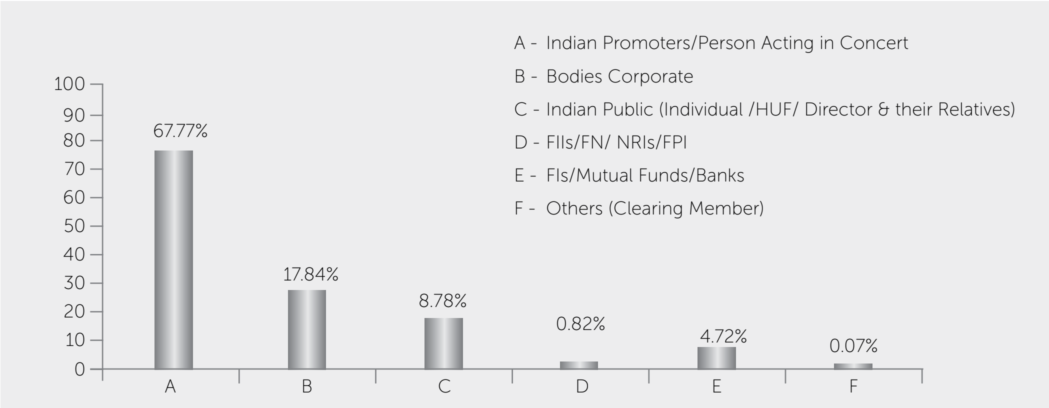
SHAREHOLDING PATTERN

Distribution of Shareholding as on March 31, 2019:

Category of Shareholdings From – To	No. of Shareholders	% of Total Shareholders	Total Shares	% of Total Amount
1-1000	9717	75.13	3333760	1.79
1001-5000	2308	17.85	5610590	3.01
5001-10000	450	3.48	3456460	1.86
10001-20000	201	1.55	2914690	1.57
20001-30000	77	0.60	1927090	1.04
30001-40000	36	0.28	1298690	0.70
40001-50000	21	0.16	989670	0.53
500001-100000	66	0.51	4923520	2.64
100001-and Above	57	0.44	161714790	86.86
Total	**12,407**	**100.0000**	**1,86,16,926**	**100.00**

Category of Shareholding as on March 31, 2019:

S. No.	Category	No. of Shares	%
1	Indian Promoters / Person Acting in Concert	1,26,16,996	67.77
2	Indian Public (Individual / HUF / Director & their Relatives)	33,21,811	17.84
3	FIIs / FN / NRIs / FPI	1633786	8.78
4	FIs / Mutual Funds / Banks	1,52,067	0.82
5	Bodies Corporate	8,79,589	4.72
6	Others (Clearing Member)	12677	0.07
	Total	**18,616,926**	**100.00**



Stock Market Data

National Stock Exchange of India Limited (NSE)

Month	High (₹)	Low (₹)	Close (₹)	Volume
April 2018	699.00	495.00	660.10	8,28,602
May 2018	666.90	560.15	593.80	2,23,184
June 2018	613.00	533.10	560.30	70,518
July 2018	581.00	526.00	531.00	1,07,391
August 2018	550.00	511.00	515.15	1,70,604
September 2018	626.65	500.00	510.95	3,60,306
October 2018	531.90	470.05	524.15	95,296
November 2018	539.00	479.00	507.55	49,111
December 2018	515.95	471.00	483.10	55,625
January 2019	510.00	450.00	462.45	66,944
February 2019	469.95	427.00	444.95	41,530
March 2019	507.00	436.10	476.80	1,78,477

[Source: www.nseindia.com]

BSE Limited (BSE)

Month	High (₹)	Low (₹)	Close (₹)	Volume
April 2018	716.35	498.50	660.90	1,18,298
May 2018	668.00	565.00	592.80	31,577
June 2018	632.95	528.00	559.90	9,503
July 2018	579.00	526.20	530.80	14,380
August 2018	544.90	511.35	516.60	84,300
September 2018	625.55	501.55	515.65	1,40,445
October 2018	544.00	474.00	528.40	21,237
November 2018	555.00	475.70	504.80	6,946
December 2018	514.45	469.00	483.65	8,218
January 2019	505.80	450.00	461.50	8,422
February 2019	474.55	425.00	450.00	6,522
March 2019	506.80	439.80	479.25	4,520

[Source: www.bseindia.com]

Per Share Data

Year	March 31, 2019*	March 31, 2018*	March 31, 2017#	March 31, 2016#	March 31, 2015#
Net Earnings (₹ in lakhs)	7474.00	6,821.19	6,950.09	7,052.51	5,870.12
EPS (₹)	40.14	36.64	37.33	37.88	34.76
Dividend per Share (₹)	25.00	12.00	-	22.00	22.00
Dividend Payout (%)	75.09	39.48	-	69.90	74.62
Book Value per Share (₹)	246.89	221.25	184.98	147.64	136.24
Price to Earnings	11.94	13.53	18.44	17.44	27.10
Price to Book Value	1.94	2.24	3.72	4.47	6.91

*Figures for the financial year 2018-19 and 2017-18 are in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

#Figures for the financial year up to the year ended March 31, 2017 were in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP), notified under Section 133 of the Act and other relevant provisions of the Act.

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, 2019, a total of 1,86,02,579 shares of the Company, constituting 99.92% of the total Share Capital, were in demat form. Details of the Demat and Physical shareholding of the Company are a under:

	No. of shares	Percentage (%)
At National Securities Depository Limited	1,74,99,924	94.0001
At Central Depository Services (India) Limited	11,02,655	5.9228
In Physical Form	14,347	0.0771
Total Paid-up Share Capital	18,616,926	100

Shareholder Information

Shareholders 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. Shareholders 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.

Share Transfer System

Share transfer are registered and returned in the normal course of business. 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 time limit from the date of receipt of share certificates provided the documents are complete in all respect.

SEBI amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherein it was intimated that transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository with effect from April 01, 2019.

The Company sent a communication (i.e. Initial Letter for Pan & Bank Mandated) on June 23, 2018 by Speed Post to 71 shareholders, followed by First Reminder letter (i.e. First Reminder Letter for Pan/Bank Mandate & Compulsory Demat) on October 26, 2018 to 69 shareholders through ordinary post and the Second & Final reminder letter on January 12, 2019 to 69 shareholders through Ordinary Post.

Company has also voluntarily taken efforts to contact through emails on monthly basis to the shareholders whose dividend is lying in the unpaid dividend accounts.

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

The Company has engaged a qualified practicing Company Secretary to carry out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital of the Company. The audit report confirms that the total issued / paid -up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

MEANS OF COMMUNICATION

Annual Report: The Company has been sending physical copies of the Annual Reports, notices, and other communications through the prescribed modes of dispatch. However, in case email addresses of shareholders are registered, such communications are sent through the registered email id of such shareholders.

Website: The Company's website contains a dedicated section "Investors" which displays details/information of interest of various stakeholders.

Results: The quarterly, half yearly and annual results are normally published in one leading national (English) Financial Express paper and in one vernacular (Tamil) Makkal Kural 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. The quarterly, half yearly and annual results and investor presentations are also hosted on the Company's website – www.mpslimited.com

Compliances: 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).

Presentations to institutional investors/analysts: Detailed presentations are made to institutional investors and analysts on a quarterly basis and the same is hosted on the website of the Company www.mpslimited.com

News Releases: Official press releases are sent to the Stock Exchanges and is hosted on the website of the company – www.mpslimited.com.

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, 2019, were made in the ordinary course of business and were on an arm's length basis. There was no material related party transaction 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, 2019.

The Company has updated the 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.mpslimited.com/corporate-governance**

(iii) Vigil Mechanism and Protection Against Sexual Harassment

As per the provisions of Section 177(9) of the Act and Regulation 22 of the LODR, the Company is required to establish a Vigil Mechanism for Directors and employees to report genuine concerns. The Company has a Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistleblowers ("the Whistleblower Policy") in place and the details of the Whistleblower ("the Whistleblower Policy") in place and the details of the Whistleblower Policy are provided in the Report on Corporate Governance forming part of this Report. 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.

Policy is available on the website of the Company at **http://www.mpslimited.com/corporate-governance**

The Company has a policy on Prevention of Sexual Harassment at workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. The policy is available on the intranet site of the Company. During the year, no complaint with allegations of sexual harassment was received by the Company.

(iv) Accounting Principles

In the preparation of Financial Statements the Company had adopted Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 and this is separately disclosed in the Annual Report.

(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. 30 to the Audited Financial Statements of the Company, forming part of the Annual Report for the financial year ended March 31, 2019.

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

The Board of Directors periodically reviews the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements under the Listing Regulations as on 31st March, 2019 to the extent mentioned below:

- The Board is headed by a Non - Executive Chairman.
- The Company has separate posts of Chairman and Managing Director.

- The Internal Auditors report directly to the Audit Committee of the Company.
- The Company is already in No Audit Qualifications regime.

CERTIFICATION BY PRACTICING COMPANY SECRETARY

R.Sridharan & Associates, Company Scretaries, have certified that none of the Directors of the Company as on March 31, 2019, have been debarred or disqualified from being appointed or continuing as Director(s) of Company by SEBI, Ministry of Corporate Affairs and/or any other statutory authority. This Certificate is enclosed with this report.

MANAGING DIRECTOR & CFO CERTIFICATION

Managing Director 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, 2019. This certificate is enclosed with this report.

Business Locations

Content Solutions for Educational, Academic, and STM Markets	RR Towers IV, Super A, 16/17 Thiru-Vi-Ka Industrial Estate, Guindy, Chennai-600032, Tamilnadu
Content Solutions and Platform Solutions for Academic and STM Markets	HMG Ambassador, 137, Residency Road, Bengaluru-560025, Karnataka
Platform Solutions	709, DLF Corporate Greens, Sector -74A, Narsinghpur, Gurgaon-122004, Haryana
Content Solutions for Educational Publishing and Platform Solutions	C-35, Sector 62, Noida-201 307, Uttar Pradesh
Platform Solutions and Content Solutions for Educational, Academic, and STM Markets	33, Sahastra Dhara Road, IT Park, Dehradun Uttarakhand-248001
Content Solutions and Platform Solutions	MPS North America LLC, 5728 Major Blvd., Orlando, Florida 32819.

Registrar and Share Transfer Agent	Cameo Corporate Services Limited Subramanian Building, 1 Club House Road, Chennai – 600002 Phone no. 044 – 28460390 Contact person: Mr. D. Narasimhan, Joint Manager

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

On behalf of Board of Directors

Place: Gurugram
Date: May 17, 2019

Nishith Arora
Chairman

Independent Auditor's Certificate on Corporate Governance

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 engagement letter.

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 March 31, 2019.

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 March 31, 2019.

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 March 31, 2019.

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: Gurugram
Date: May 17, 2019

Managing Director/ CFO Certification as per Regulation 17(8) of the Listing Regulations

We, Rahul Arora, Managing Director and Sunit Malhotra, Chief Financial Officer & Company Secretary, 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, 2019 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 that are fraudulent, illegal or violate 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, save and except changes arising in conformity with the requirements of Ind AS, during the year, which have been disclosed in the notes to the financial statements; and

   iii. That there are no instances of significant fraud of which we became aware or the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Rahul Arora
Managing Director

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date: May 17, 2019

Certificate of Non-Disqualification of Directors

The Members,
MPS Limited
RR TOWER IV, SUPER A,
16/17 THIRU-VI-KA INDUSTRIAL ESTATE,
GUINDY, CHENNAI- 600032

We have examined the relevant books, papers, minutes books, forms and returns filed, notices received from the Directors during the financial year under review and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives of MPS LIMITED (CIN:L22122TN1970PLC005795) having its Registered Office at RR TOWER IV, SUPER A, 16/17 THIRU-VI-KA INDUSTRIAL ESTATE, GUINDY, CHENNAI-600032 (hereinafter referred to as "The Company") for the purpose of issue of a certificate, in accordance with Regulation 34 (3) read with Schedule V Part-C Sub clause 10 (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 as amended vide Notification No: SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018 issued by the Securities and Exchange Board of India.

In our opinion and to the best of our knowledge and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose issue of this certificate and based on such verification as considered necessary, we hereby certify that None of the Directors as stated below on the Board of the Company as on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI (Board)/Ministry of Corporate Affairs or any such other statutory authority.

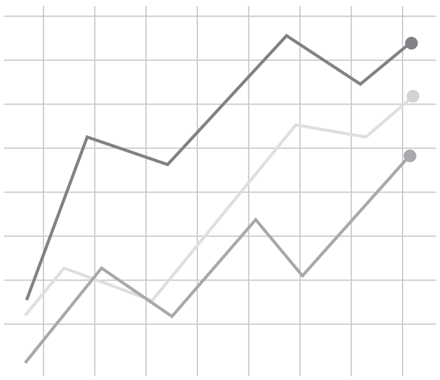
S.NO	DIN	NAME OF THE DIRECTOR	DESIGNATION
1.	00227593	NISHITH ARORA	Non-Executive – Chairman
2.	01473455	VIJAY SOOD	Non-Executive Independent Director
3.	05353333	RAHUL ARORA	Managing Director
4.	06937633	YAMINI TANDON	Non-Executive Non- Independent Director
5.	00233858	AMBARISH RAGHUVANSHI	Non-Executive Independent Director
6.	00137105	SUNIL MANUBHAI SHAH	Non-Executive Independent Director

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

For R.Sridharan & Associates
Company Secretaries

CS R.Sridharan
CP No. 3239
FCS No. 4775
UIN : S2003TN063400

Place : Chennai
Date : May 17, 2019



FINANCIAL SECTION

Independent Auditor's Report

To the Members of MPS Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of MPS Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard).

The key audit matter	How the matter was addressed in our audit
The application of the new revenue accounting standard involves certain key judgements relating to identification of contract and distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Refer Notes 2.9 and 42 to the Standalone Financial Statements	We assessed the Company process to identify the impact of adoption of the new revenue accounting standard. In view of the significance of the matter we applied the following audit procedures in this area, amongst others to obtain sufficient appropriate audit evidence : - Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. - Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal controls relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.

The key audit matter	How the matter was addressed in our audit
	- Evaluated the following documents in relation to the existence of contracts as per the requirement of Ind AS 115: • Sample of customer contracts, communication, agreed price list and payment terms of invoices. • Legal opinion taken by the Company in relation to establishment of contract and its legal enforceability based on correspondence between the parties, and their conduct, price list and payment practices, where there is no formal written contract. - Selected a sample of continuing and new contracts and performed the following procedures: • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with estimated efforts computed. • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' 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 as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 33 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.

   iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

   (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

   In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Shashank Agarwal
Partner
Membership No. 095109

Place: Gurugram
Date: 17 May 2019

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 2019, 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 2019 (₹ in Lacs)	Remarks
1	Office space at Building located at 137, Residency Road Bangalore admeasuring 62,349 square feet	1,240.22	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	49.69	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 (now MPS 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 Companies has granted loans to companies covered in the register maintained under section 189 of the Companies Act, 2013 ('Act").

(a) The terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments and receipts are regular.

(c) No amount is overdue for more than 90 days, hence provision of paragraph 3(iii)(c) of the order are not applicable.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investment made.

(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, Goods and Service tax, Service tax, Sales tax, Value added tax, Cess and other material statutory dues have 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, Goods and Service tax, Sales tax, Value added tax, Service tax, Cess and other material statutory dues were in arrears as at 31 March 2019 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, Goods and Service 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	104.78	AY 2008-09	-	High Court
Income tax Act, 1961	Income tax	12.95	AY 2009-10	-	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	118.39	AY 2010-11	53.65	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	88.85	AY 2012-13	-	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	27.62	AY 2016-17	-	Assessing officer
Income tax Act, 1961	Income tax	15.72	AY 2017-18	-	Assessing officer
Finance Act, 1994	Service tax	209.57	Financial year 2003-04 to 2008-09	35.00	Customs and Excise Service Tax Appellate Tribunal
Finance Act, 1994	Service tax	718.25	Financial year 2008-09 to 2012-13	53.86	Director General of Central Excise Intelligence (India)

* Amount as per demand orders including interest and penalty, wherever indicated in the order

(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 had utilized a sum of ₹2,784 lacs for the purpose for which these proceeds were raised till 31 March 2018. During the year, the remaining balance of net proceeds of ₹11,996 Lacs has been utilized for the purpose for which it has been raised.

(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's Registration No. 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109

Place: Gurugram
Date: 17 May 2019

Annexure B to the Independent Auditors' report on the standalone financial statements of MPS Limited for the year ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of MPS Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Shashank Agarwal
Partner
Membership No. 095109

Place: Gurugram
Date: 17 May 2019

Balance Sheet as at 31 March 2019

₹ in Lacs

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	1,725.74	1,910.32
Investment property	3.2	110.76	113.94
Goodwill	4	50.27	50.27
Other intangible assets	4	682.04	985.87
Financial assets			
Investments	5 (i)	13,980.49	4,257.39
Loans	6 (i)	2,216.58	154.16
Other financial assets	7 (i)	26.54	26.14
Income tax assets (net)	8	624.33	636.64
Other non-current assets	9 (i)	276.93	370.29
Total non-current assets		**19,693.68**	**8,505.02**
Current assets			
Financial assets			
Investments	5 (ii)	16,771.70	28,799.72
Trade receivables	10	3,782.30	3,610.79
Cash and cash equivalents	11 (i)	571.42	282.19
Other bank balances	11 (ii)	2,780.00	-
Loans	6 (ii)	248.26	5.23
Other financial assets	7 (ii)	371.25	1,846.86
Other current assets	9 (ii)	4,082.62	841.70
Total current assets		**28,607.55**	**35,386.49**
TOTAL ASSETS		**48,301.23**	**43,891.51**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	1,861.69	1,861.69
Other equity		44,102.18	39,330.97
Total equity		**45,963.87**	**41,192.66**
Liabilities			
Non-current liabilities			
Deferred tax liabilities (net)	13	514.25	383.28
Total non-current liabilities		**514.25**	**383.28**
Current liabilities			
Financial liabilities			
Trade payables			
Due to Micro and Small enterprises	14	26.52	14.81
Due to Others	14	478.84	856.27
Other financial liabilities	15	304.41	370.58
Other current liabilities	16	626.71	605.37
Provisions	17	251.00	285.08
Income tax liabilities (net)	18	135.63	183.46
Total current liabilities		**1,823.11**	**2,315.57**
TOTAL EQUITY AND LIABILITIES		**48,301.23**	**43,891.51**
Significant accounting policies	2		
Notes to financial statements	3-42		
The accompanying notes form an integral part of financial statements			

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

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

Shashank Agarwal
Partner
Membership Number: 095109

Rahul Arora
Managing Director
DIN: 05353333

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 17 May 2019

Place: Gurugram
Date : 17 May 2019

Statement of Profit & Loss for the year ended 31 March 2019

₹ in Lacs

	Note	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	19	22,396.25	21,834.20
Other income	20	2,601.75	2,509.23
Total income		**24,998.00**	**24,343.43**
Expenses			
Employee benefits expense	21	8,619.59	9,064.10
Finance costs	22	19.05	12.66
Depreciation and amortization expense	23	646.08	753.72
Other expenses	24	5,127.01	4,456.35
Total expenses		**14,411.73**	**14,286.83**
Profit before tax		**10,586.27**	**10,056.60**
Tax expense:	25		
Current tax		2,970.97	3,099.51
Adjustment of tax relating to earlier years		6.41	(7.16)
Deferred tax	13	134.89	143.06
Total tax expenses		**3,112.27**	**3,235.41**
Profit for the year		**7,474.00**	**6,821.19**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit liability/assets		(13.47)	(88.45)
Income tax relating to items that will not be reclassified to profit or loss		3.92	25.76
Total other comprehensive income for the year , net of tax		**(9.55)**	**(62.69)**
Total comprehensive income for the year		**7,464.45**	**6,758.50**
Earnings per equity share (nominal value of share ₹10)			
Basic and diluted (earnings per equity share expressed in absolute amount in Indian Rupees)	26	40.14	36.64
Significant accounting policies	2		
Notes to financial statements	3-42		
The accompanying notes form an integral part of financial statements			

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

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

Shashank Agarwal
Partner
Membership Number: 095109

Rahul Arora
Managing Director
DIN: 05353333

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 17 May 2019

Place: Gurugram
Date : 17 May 2019

Statement of change in equity for the year ended 31 March 2019

A. Equity share capital

	₹ in Lacs
Balance as at 1 April 2017	**1,861.69**
Changes in equity share capital during the year	-
Balance as at 31 March 2018	**1,861.69**
Changes in equity share capital during the year	-
Balance as at 31 March 2019	**1,861.69**

B. Other equity

₹ in Lacs

Particulars	Reserve and Surplus (refer note 1 below)			Total
	Securities premium account	General reserve	Retained earnings	
As at 1 April 2017	**14,600.33**	**2,849.32**	**15,122.82**	**32,572.47**
Profit for the year	-	-	6,821.19	6,821.19
Other comprehensive income	-	-	(62.69)	(62.69)
Total comprehensive income for the year	**-**	**-**	**6,758.50**	**6,758.50**
Transfer to general reserve	-	-	-	-
As at 31 March 2018	**14,600.33**	**2,849.32**	**21,881.32**	**39,330.97**
As at 1 April 2018	**14,600.33**	**2,849.32**	**21,881.32**	**39,330.97**
Profit for the year	-	-	7,474.00	7,474.00
Other comprehensive income	-	-	(9.55)	(9.55)
Total comprehensive income for the year	**-**	**-**	**7,464.45**	**7,464.45**
Dividends	-	-	(2,234.03)	(2,234.03)
Income tax on dividend	-	-	(459.21)	(459.21)
As at 31 March 2019	**14,600.33**	**2,849.32**	**26,652.53**	**44,102.18**

Notes:

1 Nature and purpose of other equity:

Securities premium reserve: The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve: This represents appropriation of profit by the Company and is available for distribution of dividend.

Retained earning: This represents the cumulative profits/(losses) of the Company.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

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

Shashank Agarwal
Partner
Membership Number: 095109

Rahul Arora
Managing Director
DIN: 05353333

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 17 May 2019

Place: Gurugram
Date : 17 May 2019

Cash Flow Statement for the year ended 31 March 2019

₹ in Lacs

	Year ended 31 March 2019	Year ended 31 March 2018
A. Cash flow from operating activities		
Net profit before tax	**10,586.27**	**10,056.60**
Adjustments:		
Depreciation and amortisation expense	646.08	753.72
Interest income	(235.95)	(2.93)
Dividend income	(13.28)	(135.72)
Net gain on sale of current investment	(159.09)	(494.01)
Finance costs	19.05	12.66
Gain on sale/disposal/discard of property, plant and equipment (net)	(0.83)	(6.30)
Profit on liquidation of wholly owned subsidiary	-	(220.55)
(Gain)/loss on investment carried at fair value through profit or loss	(1,322.13)	(923.75)
Liabilities/provisions no longer required written back	(183.97)	(429.90)
Allowances for expected credit loss	(15.82)	(29.35)
Bad debts written off/(reversal)	8.05	6.45
(Gain)/Loss allowance for doubtful advances	(0.28)	2.08
Income from government grants	(566.93)	-
Loans and advances written off	-	28.27
Unrealised foreign exchange (gain)/loss (net)	(81.19)	90.04
Unrealised foreign exchange (gain)/loss on mark-to-market on forward contracts	(137.22)	234.99
Operating cash flows before working capital changes	**8,542.76**	**8,942.30**
(Increase)/decrease in trade receivables	(81.60)	299.78
(Increase) in loans	(5.17)	(18.73)
Decrease/(increase) in other financial assets	1,795.21	(196.81)
(Increase) in other current assets	(2,744.92)	(225.92)
Decrease in other non current assets	93.36	1,085.45
(Decrease)/increase in trade payables	(204.83)	156.82
(Decrease) in other financial liabilities	(51.53)	(270.53)
Increase in other current liabilities	16.57	329.77
(Decrease) in short-term provisions	(52.37)	(43.82)
Cash generated from operations	**7,307.48**	**10,058.31**
Income tax paid (net of refund)	(3,012.89)	(3,035.84)
Net cash generated from operating activities (A)	**4,294.59**	**7,022.47**
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress)	(130.98)	(155.94)
Purchase of other intangible assets	(23.72)	(537.92)
Sale of property, plant and equipment and other intangible assets	1.15	43.49
Acquisition of business (refer note 36)	-	(428.16)
Investment in subsidiaries	(9,809.57)	-
Loan to subsidiary	(2,300.00)	-
Proceeds on liquidation of subsidiary (refer note 32)	-	599.43
Purchase of current investments	(18,437.75)	(42,775.66)
Sale of current investments	32,033.47	35,992.20
Purchase of term deposits	(2,780.00)	-
Dividends received	13.28	135.72
Interest received	132.28	3.06
Net cash used in investing activities (B)	**(1,301.84)**	**(7,123.78)**

Cash Flow Statement for the year ended 31 March 2019

₹ in Lacs

	Year ended 31 March 2019	Year ended 31 March 2018
C. Cash flow from financing activities		
Finance cost	(8.69)	(4.92)
Final dividend paid	(2,234.03)	-
Tax on dividend	(459.21)	-
Net cash used in financing activities (C)	**(2,701.93)**	**(4.92)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**290.82**	**(106.23)**
Effects of exchange differences on cash and cash equivalents held in foreign currency	(1.58)	62.80
Cash and cash equivalents at the beginning of the year	282.19	325.62
Cash and cash equivalents at the end of the year (see below)	**571.43**	**282.19**
Components of cash and cash equivalents:		
Cash on hand	-	-
Balances with banks		
- Current accounts	125.12	114.66
- EEFC accounts	416.30	107.53
- Demand deposit accounts (demand deposits and deposits having original maturity of 3 months or less)	30.00	60.00
	571.42	**282.19**

Notes:

1. Statement of Cash Flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
2. During the year, the Company paid in cash ₹196.36 Lacs (31 March 2018: ₹191.79 Lacs) towards corporate social responsibility (CSR) expenditure (refer note 35).

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Shashank Agarwal
Partner
Membership Number: 095109

Place: Gurugram
Date : 17 May 2019

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

Rahul Arora
Managing Director
DIN: 05353333

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 17 May 2019

Notes forming part of Financial Statements

All amount in ₹ Lacs, unless otherwise stated

1. Corporate Information

MPS Limited ("the Company") is a public limited Company domiciled in India and incorporated under the provisions of Companies Act, 1956 having its registered office located at RR Towers IV, Super A, 16/17, Thiru-vi-ka Industrial State, Guindy, Chennai-600032. Its equity shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. 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 Company offers a diverse geographic spread with production facilities in Chennai, Noida, Dehradun, Gurugram and Bengaluru. The Company also operates with 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

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of financial statements

a) Statement of compliance

These standalone Ind AS Financial Statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 ("the Act") read with companies (Indian accounting standard) rules as amended from time to time and other relevant provisions of the Act.

b) Effective 1 April 2016, the Company had transitioned to Ind AS while the financial statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance of Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Company had elected to certain exemption which are listed as below

- The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. As such previous GAAP balances relating to business combinations consummated before that date, including goodwill, have been carried forward.
- The Company elected to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.
- The Company has elected to consider previous GAAP carrying amount of its investments in subsidiaries on the date of transition to Ind AS as its deemed cost for the purpose of determining cost in accordance with principles of Ind AS 27-"Separate financial statements".

The financial statements of the Company for the year ended 31 March 2019 were approved for issue in accordance with the resolution of the Board of Directors on 17 May 2019.

c) Basis of measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS

- Derivative financial instruments;
- Financial instruments classified as fair value through other comprehensive income or fair value through profit or loss; and
- The net defined benefit asset/(liability) is recognized as the present value of defined benefit obligation less fair value of plan assets.

d) **Critical estimates and judgements**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Assessment of useful life of items of property, plant and equipment and intangible asset – refer note 2.3
- Estimated impairment of financial instrument and non-financial assets – refer note 2.5 and 2.6
- Recognition and estimation of tax expense including deferred tax– refer note 13
- Estimation of assets and obligations relating to employee benefits – refer note 28
- Fair value measurement – refer note 29
- Measurement and likelihood of occurrence of provisions and contingencies – refer note 33
- Measurement of consideration and assets acquired as part of business combination – refer note 36
- Assessment of revenue based on the progress of project using percentage of completion method, measured on the basis of effort involved which is akin to output to customer- refer note 2.9

2.2 Current–non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

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.

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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non current classification of assets and liabilities.

2.3 Property, plant and equipment (PPE), Investment properties and Intangible assets

a) Items of property, plant and equipment

Items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. The cost of items 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 costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Items of property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

b) Investment Properties

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property consists of freehold land and building, building is depreciated using the straight line method over their estimated useful life of 60 years.

c) Intangible assets

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Goodwill is initially recognised based on the accounting policy for business combinations (refer note 2.4). Goodwill is not amortised but is tested for impairment annually.

d) Depreciation and amortisation methods, estimated useful lives and residual value

Depreciation on items of property, plant and equipment is provided on a pro-rata basis on the straight-line method based on useful life specified in Part C of Schedule II to the Companies Act.

Freehold land is not depreciated. Leasehold improvements are amortised on a straight line basis over the period of lease or their useful lives, whichever is shorter.

Intangible assets are amortised on a pro-rata basis on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of intangible assets are as follows:

- Software – 2 to 5 years
- Customer relationship- 5 years
- Trademark- 10 years

The residual values, useful lives and method of depreciation/amortisation of items of property, plant and equipment, investment property and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Derecognition

A items of property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

2.4 Business Combination:

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed.

Transaction costs are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

2.5 Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax are reviewed at each reporting date to determine whether there is any such indication. If any such indication exits, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an assets or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, then Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceeds the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

2.6 Financial instrument

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI).

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Impairment of financial instrument

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company uses derivative financial instruments primarily forward contract to mitigate its currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value and changes therein are recognised in Statement of profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes forming part of Financial Statements

All amount in ₹ Lacs, unless otherwise stated

2.7 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.

2.8 Provisions and Contingent Liabilities

Provision

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities and commitments are reviewed at each balance sheet date.

2.9 Revenue recognition

The Company derives revenue primarily from content solutions, platform solutions and related services.

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 2.9 – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended 31 March 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue related to fixed-price contracts is recognised using percentage-of-completion method ('POC method') of accounting with efforts incurred in determining the degree of completion of the performance obligation.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance is recognized based on time elapsed mode and revenue is straight lined over the period of performance.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is a billing in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers geography and nature of services.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

Notes forming part of Financial Statements

All amount in ₹ Lacs, unless otherwise stated

- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the efforts incurred which is used to determine the degree of completion of the performance obligation.

2.10 Recognition of dividend income and interest income

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

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

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

2.11 Government Grants

Government grants that are awarded as incentives with no ongoing performance obligations are recognised when there is reasonable assurance that:

a) the Company will comply with the conditions attached to them; and

b) the grant will be received.

These are recorded at fair value where applicable. Government grants are recognised in the statement of profit and loss, either on a systematic basis when the Company recognises, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred.

Government grants related to income are presented as an offset against the related expenditure.

2.12 Employee benefits

a) **Short-term employee benefits:** All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc measured on an undiscounted basis and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

b) **Post-employment benefits:** Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

- **Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity is recognised in the books of accounts based on actuarial valuation by an independent actuary. The gratuity liability for the employees of the Company is funded with an insurance company in the form of a qualifying insurance policy. The gratuity benefit obligation recognised 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 recognised immediately in the other comprehensive income.

- **Superannuation:** Certain employees of the Company are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Company to the plan is charged to Statement of Profit and Loss.
- **Provident fund:** For employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan. Company's contribution to the provident fund is charged to Statement of Profit and Loss.
- **Employee State Insurance:** For employees in India, Employee State Insurance (ESI) is deposited with Employee State Insurance Corporation. This is treated as defined contribution plan. Company's contribution to the ESI is charged to Statement of Profit and Loss.
- **Social security plans:** For employees outside India, Employees contributions payable to the social security plan, which is a defined contribution scheme, is charged to the statement of profit and loss in the period in which the employee renders services.

c) **Other long-term employee benefits: Compensated absences:**

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilized during the service, or encashed. Encashment can be made on early retirement, on separation, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's liability in respect of compensated absences is recognised in the books of account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

d) **Termination benefits:**

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

2.13 Tax Expense

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

a) **Current tax:**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously. Any adjustment to the tax payable or receivable in respect of previous year is shown separately.

b) **Deferred tax:**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Notes forming part of Financial Statements

All amount in ₹ Lacs, unless otherwise stated

2.14 Dividend Distributions

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

2.15 Foreign currency transactions and translations

a) Functional and presentation currency

The financial statements are presented in Indian Rupees (₹), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency'). All the amount have been rounded-off to the nearest lakhs, unless otherwise stated.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction or at rates that closely approximate the rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss.

2.16 Leases

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

2.17 Earnings per share

Basic earnings/ (loss) per share is 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. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.18 Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

2.19 New standards and interpretations not yet adopted

The following recently released accounting standards and amendments have not yet been adopted by the Company:

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after 1 April 2019. The company will apply amendment prospectively from the effective date.

Ind AS 116 'Leases': On 30 March 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind AS which replaces Ind AS 17 'Leases' and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. This new standard provides two approaches to transition:

1. **Full retrospective approach-** Under this approach, the lessee applies the new standard retrospectively to each prior period presented and recognised an adjustment in equity at the beginning of the earliest period presented in accordance with Ind AS -8.

2. **Modified retrospective approach-** Under this approach, the lessee applies the new standard from the beginning of the current period and recognised an adjustment in equity at the beginning of the current and does not restate its prior financial information.

The effective date for adoption of this standard is annual period beginning on or after 1 April 2109. The company will adopt this standard using modified retrospective approach effective 1 April 2019 for transition to Ind AS 116 and will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

Amendment to Ind AS 19 'Employee Benefits': On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after 1 April 2019, though early application is permitted.

Amendment to Ind AS 12 'Income Taxes': On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after 1 April 2019.

The Company is evaluating the effect of the above on its financial statements

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

3.1 Property, plant and equipment and Capital work-in-progress

₹ in Lacs

Particulars	Freehold land (refer note 1 below)	Buildings (refer note 1 below)	Plant & equipment	Furniture & Fixtures	Vehicles	Leasehold improvements	Capital Work-in-Progress	Total
Gross carrying value								
As at 1 April 2017	400.00	901.23	1,184.15	17.74	33.63	-	-	2,536.75
Acquisitions through business combinations (refer note 36)	-	-	51.75	3.75	-	7.19	-	62.69
Additions	-	-	154.89	1.05	-	-	-	155.94
Disposals/adjustments	-	-	(73.65)	(0.44)	(33.45)	(7.19)	-	(114.73)
As at 31 March 2018	**400.00**	**901.23**	**1,317.14**	**22.10**	**0.18**	**-**	**-**	**2,640.65**
Additions	-	-	106.32	24.66	-	-	-	130.98
Disposals/adjustments	-	-	(6.38)	(4.36)	-	-	-	(10.74)
As at 31 March 2019	**400.00**	**901.23**	**1,417.08**	**42.40**	**0.18**	**-**	**-**	**2,760.89**
Accumulated depreciation								
As at 1 April 2017	-	20.31	341.50	8.82	10.60	-	-	381.23
Depreciation charge for the year	-	20.35	387.70	9.47	1.25	7.19	-	425.96
Disposals/adjustments	-	-	(57.05)	(0.90)	(11.72)	(7.19)	-	(76.86)
As at 31 March 2018	**-**	**40.66**	**672.15**	**17.39**	**0.13**	**-**	**-**	**730.33**
Depreciation charge for the year	-	20.34	269.53	25.46	0.03	-	-	315.36
Disposals/adjustments	-	-	(6.12)	(4.42)	-	-	-	(10.54)
As at 31 March 2019	**-**	**61.00**	**935.56**	**38.43**	**0.16**	**-**	**-**	**1,035.15**

Net carrying value	Freehold land (refer note 1 below)	Buildings (refer note 1 below)	Plant & equipment	Furniture & Fixtures	Vehicles	Leasehold improvements	Capital Work-in-Progress	Total
As at 31 March 2018	400.00	860.57	644.99	4.71	0.05	-	-	1,910.32
As at 31 March 2019	400.00	840.23	481.52	3.97	0.02	-	-	1,725.74

Net carrying value	31 March 2019	31 March 2018
Property, plant and equipment	1,725.74	1,910.32
Capital work in progress	-	-

1. Freehold land and Buildings include property located at Bengaluru (HMG Ambassador) at a cost of ₹400 Lacs and ₹901.23 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.

3.2 Investment property

₹ in Lacs

Particulars	Freehold land	Buildings	Total
Gross carrying value			
As at 1 April 2017	4.36	114.93	119.29
Additions	-	-	-
Disposals/adjustments	-	-	-
As at 31 March 2018	**4.36**	**114.93**	**119.29**
Additions	-	-	-
Disposals/adjustments	-	-	-
As at 31 March 2019	**4.36**	**114.93**	**119.29**
Accumulated depreciation			
As at 1 April 2017	-	2.18	2.18
Depreciation charge for the year	-	3.17	3.17
Disposals/adjustments	-	-	-
As at 31 March 2018	**-**	**5.35**	**5.35**
Depreciation charge for the year	-	3.18	3.18
Disposals/adjustments	-	-	-
As at 31 March 2019	**-**	**8.53**	**8.53**

Net carrying value	Freehold land	Buildings	Total
As at 31 March 2018	4.36	109.58	113.94
As at 31 March 2019	4.36	106.40	110.76

Amount recognised in profit or loss for Investment property	Year ended 31 March 2019	Year ended 31 March 2018
Rental income derived from investment properties	-	-
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(35.77)	(32.88)
Loss arising from investment properties before depreciation	**(35.77)**	**(32.88)**
Less: Depreciation for the year	(3.18)	(3.17)
Loss arising from investment properties	**(38.95)**	**(36.05)**

Fair value of Investment property	Freehold land and Buildings
As at 31 March 2018	2,249.74
As at 31 March 2019	3,211.88

1. Investment property comprises land and building for basement, ground floor, first floor, eighth floor and parking areas situated in Bengaluru. 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. The title deeds for land and building for remaining areas are in the name of the Company.

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

3.2 Investment property *(contd...)*

2. The Company has obtained an independent valuation for the fair value of its investment property as at 31 March 2019 based on the market value approach. The valuer has relied on the prevalent real estate rates and realisable price of similar property in the same vicinity. In the previous year the Company's own team had performed the fair valuation assessment for its investment property based on the rent capitalization method to estimate the value of property by taking the net operating income of the rent collected and dividing it by the capitalization rate. All resulting fair value estimates for investment property are included in Level 3.

4 Intangible assets

₹ in Lacs

Particulars	Goodwill	Other intangible assets			Total
		Trademark	Customer relationship	Computer software (acquired)	
Gross carrying value					
As at 1 April 2017	-	-	-	351.01	351.01
Acquisitions through business combinations (refer note 36)	50.27	28.11	196.71	228.19	503.28
Additions	-	41.01	-	537.92	578.93
Disposals/adjustments	-	-	-	(0.53)	(0.53)
As at 31 March 2018	**50.27**	**69.12**	**196.71**	**1,116.59**	**1,432.69**
Additions	-	-	-	23.72	23.72
Disposals/adjustments	-	-	-	(2.61)	(2.61)
As at 31 March 2019	**50.27**	**69.12**	**196.71**	**1,137.70**	**1,453.80**
Accumulated depreciation/amortisation					
As at 1 April 2017	-	-	-	72.33	72.33
Amortisation expense for the year	-	4.12	39.28	281.19	324.59
Disposals/adjustments	-	-	-	(0.37)	(0.37)
As at 31 March 2018	**-**	**4.12**	**39.28**	**353.15**	**396.55**
Amortisation expense for the year	-	7.81	42.49	277.24	327.54
Disposals/adjustments	-	-	-	(2.60)	(2.60)
As at 31 March 2019	**-**	**11.93**	**81.77**	**627.79**	**721.49**

Net carrying value	Goodwill	Trademark	Customer relationship	Computer software (acquired)	Total
As at 31 March 2018	50.27	65.00	157.43	763.44	1,036.14
As at 31 March 2019	50.27	57.19	114.94	509.91	732.31

Net carrying value	31 March 2019	31 March 2018
Goodwill	50.27	50.27
Other Intangible assets	682.04	985.87

4 Intangible assets *(contd...)*

4(a) Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the lowest level at which the goodwill is monitored for internal management purposes, which is not higher than the Company's operating reportable segments.

The aggregate carrying amounts of goodwill allocated to platform solutions operating segment as follows:

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Platform solutions	50.27	50.27
	50.27	**50.27**

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the recoverable amount of the above cash generating units based on its value in use. The value in use of this unit was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carry amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

i. The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and the 5 year business plan in all periods presented.

ii. The terminal growth rate 1% for the year ended 31 March 2019 (31 March 2018: 1%) representing management view on the future long-term growth rate.

iii. Discount rate of 16.29% for the year ended 31 March 2019 (31 March 2018: 16.29%) was applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on past experience and historical industry average weighted-average cost of capital.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

5 (i) Non-current investments

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Investments carried at cost :		
Equity instruments of subsidiaries (unquoted)		
66,500 Units (31 March 2018: 66,500 Units) of USD 100 each fully paid up of MPS North America LLC, USA	4,257.39	4,257.39
6,20,00,000 Shares (31 March 2018: Nil Shares) of ₹10 each fully paid up of MPS Interactive Systems Limited (refer note 1 below)	6,200.00	-
22,860 Shares (31 March 2018: Nil Shares) of Euro 10 each fully paid up of equity share of TOPSIM GmbH (refer note 2 below)	599.18	-
10,000 Shares (31 March 2018: Nil Shares) of CHF 10 each fully paid up of MPS Europa AG (refer note 3 below)	810.39	-
Investments carried at fair value through profit and loss:		
Preference instruments of subsidiaries (unquoted)		
22,00,000 Shares (31 March 2018: Nil Shares) of ₹100 each fully paid up of MPS Interactive Systems Limited	2,113.53	-
	13,980.49	**4,257.39**

Note:

1. The Company has acquired enterprise eLearning business of Tata Interactive Systems (a division of Tata Industries Limited) having its branches at USA, UK, Canada and UAE through MPS Interactive Systems Limited, a wholly owned subsidiary of the Company.

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

5 (i) Non-current investments *(contd...)*

2. The Company has acquired through Share Purchase Agreement the entire paid up equity share capital held by Tata Industries Limited in Tata Interactive Systems GmbH, Germany (now known as TOPSIM GmbH) on 2 July 2018.

3. The Company has acquired through Share Purchase Agreement the entire paid up equity share capital held by Tata Industries Limited in Tata Interactive Systems AG, Switzerland (now known as MPS Europa AG) on 5 July 2018.

5 (ii) Non-current investments

Particulars	As at 31 March 2019		As at 31 March 2018	
	Units in '000	₹ in Lacs	Units in '000	₹ in Lacs
Investment in mutual funds carried at fair value through profit or loss (unquoted, fully paid up)				
Kotak Liquid- Direct Plan-Daily Dividend*	16.87	206.36	30.50	373.00
Reliance Liquid Fund-Treasury Plan-Direct Plan-Growth	-	-	18.85	799.07
Kotak Money Market Scheme-Direct Plan-Growth (Erstwhile Kotak Floater Short Term-Direct Plan-Growth)	6.83	210.80	12.35	352.29
DHFL Pramerica Insta Cash Plus Fund-Direct Plan-Growth	-	-	179.27	404.78
Tata Liquid Fund Direct Plan-Growth (previously known as TATA Money Market Fund)	-	-	68.55	1,877.10
DSP Blackrock Liquidity Fund-Direct Plan-Growth	-	-	50.83	1,263.39
Axis Liquid Fund-Direct Plan-Growth	42.14	873.82	93.53	1,802.83
Aditya BSL Money Manager Fund-Direct Growth (Erstwhile ABSL Floating Rate Fund Short Term Plan-Direct-Growth)	169.22	425.92	1,112.92	2,581.82
Aditya Birla Sun Life Savings Fund-Direct Plan-Growth	0.17	0.64	75.28	258.89
ICICI Prudential Savings Fund-Direct Plan Growth (Earlier ICICI Prudential Flexible Income -Direct Plan-Growth)	-	-	121.43	406.88
Aditya Birla Sun Life Savings Fund-Growth	639.54	2,360.79	639.54	2,186.64
Reliance Liquid Fund-Growth Plan-Growth Option (Earlier Relaince Liquid Fund-Treasury Plan-Growth)	-	-	70.98	2,996.83
ICICI Prudential Savings Fund-Growth (Erstwhile ICICI Prudential Flexible Income-Growth)	547.14	1,962.76	654.37	2,181.12
Axis Liquid Fund-Growth	121.00	2,498.79	121.00	2,324.11
Kotak Liquid-Regular Plan-Growth	-	-	16.96	595.85
Aditya Birla Sun Life Cash Plus-Direct Plan-Growth	-	-	490.60	1,370.32
HDFC Credit Risk Debt Fund-Direct Plan-Growth (Erstwhile HDFC Regular Savings Fund-Direct Plan-Growth)	8,769.51	1,395.98	3,699.98	1,303.87
ICICI Prudential Credit Risk Fund -Direct Plan-Growth (Erstwhile ICICI Prudential Regular Savings Fund-Direct Plan-Growth)	6,704.80	1,410.08	6,704.80	1,305.71
UTI Credit Risk Fund-Direct Growth Plan (Erstwhile UTI-Income Opportunities Fund-Direct Plan-Growth)	8,322.24	1,498.85	8,322.24	1,405.13
Franklin India Credit Risk Fund-Direct Plan-Growth (Erstwhile Franklin India Corporate Bond Oppurtunities Fund-Direct Plan-Growth)	7,987.73	1,645.12	7,987.73	1,505.14
Franklin India Short Term Income Plan-Retail Plan-Direct Growth	39.36	1,651.60	39.36	1,504.95
ICICI Prudential Liquid Fund-Direct Plan Growth	227.98	630.19	-	-
Total	**33,594.53**	**16,771.70**	**30,511.07**	**28,799.72**
Aggregate market value of unquoted investments		**16,771.70**		**28,799.72**

*Out of the same mutual fund units i.e., 16.36 (units in thousands) with an NAV of ₹0.012 Lacs as at 31 March 2019 (31 March 2018: Units 16.36 (units in thousands) as at NAV of ₹0.012 Lacs) have been pledged with Kotak Mahindra Bank Limited as a security towards hedging facilities availed by the Company.

6 Loans

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Non Current (unsecured, considered good)		
Financial instruments at amortized cost		
Interest bearing loan to subsidiary (refer note 32)	2,052.60	-
Security deposits (refer note below)	163.98	154.16
	243.67	**154.16**
Note: Includes ₹65.55 Lacs (31 March 2018: ₹60.99 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.		
(ii) Current (unsecured, considered good)		
Financial instruments at amortized cost		
Interest bearing loan to subsidiary (refer note 32)	247.40	-
Security deposits	0.46	1.09
Loan to employees	0.40	4.14
	248.26	**5.23**

7 Other financial assets

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Non Current (unsecured, considered good)		
Bank deposits held as margin money or security against guarantees	26.54	26.14
	26.54	**26.14**
(ii) Current (unsecured, considered good)		
Unrealised MTM gain receivable on forward covers	102.38	-
Unbilled revenue	85.63	1,846.39
Interest accrued on loan to related parties	43.74	-
Interest accrued on deposits	60.40	0.47
Government grant receivables*	79.10	-
	371.25	**1,846.86**

*represents grant receivable under Service Export from India Scheme

8 Income taxes

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Advance income tax (net of provisions of ₹11,027.45 Lacs (31 March 2018: ₹7,922.80 Lacs))	624.33	636.64
	624.33	**636.64**

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

9 Other assets

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Other non-current assets (Unsecured, Considered Good)		
Security deposits	24.52	24.52
Prepaid expenses	39.63	40.39
Advances to employees		
Balances with government authorities	128.19	175.89
-Service tax credit receivable	55.39	90.39
-Others	29.20	39.10
Prepayment rent (refer note below)	47.66	39.10
	276.93	**370.29**
Note: Includes ₹26.22 Lacs (31 March 2018: ₹29.38 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.		
(ii) Other current assets (Unsecured, Considered Good)		
Security deposits		
Doubtful	1.13	1.13
	1.13	1.13
Less: Allowances for doubtful deposits	1.13	1.13
	-	-
Advances to employees		
Considered good	2.70	-
Doubtful	23.77	27.22
	26.47	27.22
Less: Allowances for doubtful advances to employees	23.77	27.22
	2.70	-
Government grant receivables*	487.83	-
Prepaid expenses	382.25	322.35
Contract assets	2,140.68	-
Balances with government authorities		
-GST receivable	964.15	434.61
-Others	35.00	35.50
Others advances	60.11	39.36
Prepayment rent (refer note 1 below)	9.90	9.88
	4,082.62	**841.70**

Note:

1) Includes ₹5.26 Lacs (31 March 2018: ₹7.34 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.

*represents grant receivable under Service Export from India Scheme

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

10 Trade receivables

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Trade receivables	3,451.29	3,186.51
Receivables from subsidiaries (refer note 32)	331.01	424.28
	3,782.30	**3,610.79**
Break-up for details:		
Trade receivables (Unsecured)		
Considered good	3,796.47	3,652.08
Less: Expected credit loss allowance (refer note 30)	14.17	41.29
	3,782.30	3,610.79
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	-	-
Total	**3,782.30**	**3,610.79**

11 (i) Cash and cash equivalents

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks		
-In Current accounts	125.12	114.66
-In EEFC accounts	416.30	107.53
-In demand deposit accounts (demand deposits and deposits having original maturity of 3 months and less)	30.00	60.00
Total	**571.42**	**282.19**

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019

11 (ii) Other Balances with banks

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Other Balances with banks		
Term deposits with orinigal maturity for more than 3 months but less than 12 months	2,780.00	-
Total	**2,780.00**	**-**
Details of bank balances/deposits		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	30.00	60.00
Bank deposits due to mature within 12 months of the reporting date included under 'Other Balances with banks'	2,780.00	-
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current financial assets' (refer note 7 (i))	26.54	26.14
	2,836.54	**86.14**

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

12 Share capital

₹ in Lacs

(i) Particulars	As at 31 March 2019	As at 31 March 2018
Authorised		
2,00,00,000 equity shares of ₹10 each (31 March 2018: 2,00,00,000 equity shares of ₹10 each)	2,000.00	2,000.00
	2,000.00	**2,000.00**
Issued, Subscribed & Paid-Up		
1,86,16,926 equity shares of ₹10 each fully paid up with voting rights (31 March 2018: 1,86,16,926 equity shares of ₹10 each)	1,861.69	1,861.69
	1,861.69	**1,861.69**

(ii) Reconciliation of the equity share outstanding at beginning and at end of the year

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	₹ in Lacs	Number	₹ in Lacs
Equity shares (with voting rights) outstanding at the beginning of the year	1,86,16,926	1,861.69	1,86,16,926	1,861.69
Issued during the year	-	-	-	-
Outstanding at the end of the year	**1,86,16,926**	**1,861.69**	**1,86,16,926**	**1,861.69**

The Company had raised ₹14,780 Lacs from Qualified Institutional Placement ('QIP') (net of issue expenses) during the year ended 31 March 2015. Out of the said proceeds, the Company had utilized a sum of ₹2,784 Lacs for acquisitions of companies and group of assets till 31 March 2018. During the financial year 2018-19, the balance net proceeds of ₹11,996 Lacs has been fully utilized for the objectives of the QIP.

(iii) 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.

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	₹ in Lacs	Number	₹ in Lacs
Equity shares of ₹10 each fully paid up and held by				
ADI BPO Services Limited, the holding company	1,26,16,996	1,261.70	1,26,16,996	1,261.70

12 Share capital *(contd...)*

(v) Details of the shareholders holding more than 5% shares of the Company

Class of shares / Name of shareholder	As at 31 March 2019		As at 31 March 2018	
	Number	% holding in that class of shares	Number	% holding in that class of shares
Equity shares of ₹10 each fully paid up and held by				
ADI BPO Services Limited, the holding company	1,26,16,996	67.77%	1,26,16,996	67.77%

(vi) 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.

13 Deferred tax

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of asset and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant component of the Company's net deferred income tax are as follows:

Deferred tax assets:

₹ in Lacs

	Expected credit loss allowance	Expenses allowable for tax purposes when paid	Unrealised MTM loss receivables on forward covers	Others	Total
As at 1 April 2017	24.97	9.92	-	15.96	50.85
(Charged)/credited					
- to statement of profit and Loss	(12.94)	(27.76)	-	11.57	(29.13)
- to other comprehensive income	-	25.76	-	-	25.76
- transferred from deferred tax liabilities	-	-	10.15	-	10.15
As at 31 March 2018	12.03	7.92	10.15	27.53	57.63
(Charged)/credited					
- to statement of profit and Loss	(7.89)	(5.45)	(39.96)	5.84	(47.46)
- to other comprehensive income	-	3.92	-	-	3.92
- transferred to deferred tax liabilities	-	-	29.81	-	29.81
As at 31 March 2019	4.14	6.39	-	33.37	43.90

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

13 Deferred tax *(contd...)*

Deferred tax liabilities:

₹ in Lacs

	Difference between book balance and tax balance of property, plant and equipment/ Investment property/ Other intangible assets	Unrealised MTM gain receivables on forward covers	Gains on investment carried at fair value through profit or loss	Total
As at 1 April 2017	**(246.98)**	**(69.27)**	**(0.58)**	**(316.83)**
(Charged)/credited				
- to statement of profit and Loss	75.55	79.42	(268.90)	(113.93)
- to other comprehensive income	-	-	-	-
- transferred to deferred tax assets	-	(10.15)	-	(10.15)
As at 31 March 2018	**(171.43)**	**-**	**(269.48)**	**(440.91)**
(Charged)/credited				
- to statement of profit and Loss	50.10	-	(137.53)	(87.43)
- to other comprehensive income	-	-	-	-
- transferred from deferred tax assets	-	(29.81)	-	(29.81)
As at 31 March 2019	**(121.33)**	**(29.81)**	**(407.01)**	**(558.15)**

Reflected in the Balance Sheet as follows:

₹ in Lacs

	As at 31 March 2019	As at 31 March 2018
Deferred tax assets	43.90	57.63
Deferred tax liabilities	(558.15)	(440.91)
Deferred tax liabilities (net)	**(514.25)**	**(383.28)**

Reconciliation of deferred tax liabilities (net):

₹ in Lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Balance as at the commencement of the year	(383.28)	(265.98)
Expense during the year recognised in Statement of profit and loss	134.89	143.06
(Credit) during the year recognised in other comprehensive income	(3.92)	(25.76)
Balance as at the end of the year	**(514.25)**	**(383.28)**

DTA has not been recognized on temporary differences in relation to indexation benefit of investment in subsidiaries and freehold land amounting to ₹585.08 Lacs (31 March 2018: ₹391.16 Lacs) and ₹727.85 Lacs (31 March 2018: ₹694.81 Lacs) respectively, as the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in foreseeable future.

14 Trade payables

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Trade payables		
Due to Micro and Small Enterprises (refer note 27)	26.52	14.81
Due to Others	477.57	854.39
Trade payables to related parties (refer note 32)	1.27	1.88
	505.36	**871.08**

15 Other financial liabilities (Current)

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Book overdraft	-	53.89
Employee payable	304.41	281.85
Unrealised MTM loss payable on forward covers	-	34.84
	304.41	**370.58**

16 Other current liabilities

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Income received in advance (Contract liabilities)	475.52	392.97
Payables on purchase of fixed assets (refer note 32)	0.32	-
Statutory remittances*	139.35	208.97
Others	11.52	3.43
	626.71	**605.37**

*includes GST, Tax deducted at Source, Provident Fund, Employee State Insurance and Sales Tax, etc.

17 Provisions (Current)

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for service tax (refer note 38)	159.10	154.28
Provision for gratuity (refer note 28)	91.90	130.80
	251.00	**285.08**

18 Income tax liabilities (Current)

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for tax (net of advance tax of ₹2,835.04 Lacs (31 March 2018: ₹3,037.33 Lacs))	135.63	183.46
	135.63	**183.46**

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

19 Revenue from operations

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of services (refer note 42)		
Exports (earning in foreign currency)	22,316.52	21,817.75
Domestic	79.73	16.45
	22,396.25	**21,834.20**

20 Other income

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest income on:		
Financial assets-carried at amortised cost	166.54	-
Deposits with banks	69.42	2.93
Dividend received on current investment carried at fair value through profit or loss (Mutual funds units)	13.28	135.72
Net gain on sale of current investment carried at fair value through profit or loss	159.09	494.01
Gain on investment carried at fair value through profit or loss	1,408.60	923.75
MTM and net gain on foreign currency transactions	-	256.18
Government Grants*	566.93	-
Other non-operating income (refer note (i) below)	217.89	696.64
	2,601.75	**2,509.23**

*represents grant under Service Export from India Scheme

Note (i) Other non-operating income comprises:

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Liabilities no longer required written back	183.97	429.90
Reversal of allowances for expected credit loss	15.82	29.35
Bad debts and advances recovered	0.04	0.02
Profit on liquidation of wholly owned subsidiary	-	220.55
Gain on sale/disposal/discard of property, plant and equipment (net)	0.83	6.30
Miscellaneous income	17.23	10.52
	217.89	**696.64**

21 Employee benefits expense

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and wages (refer note 28)	7,894.80	8,202.35
Contribution to provident and other funds (refer note 28)	453.42	531.64
Staff welfare expenses	271.37	330.11
	8,619.59	**9,064.10**

22 Finance costs

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense on income tax, service tax & GST	19.05	12.66
	19.05	**12.66**

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

23 Depreciation and amortization expense

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation on property, plant and equipment (refer note 3.1)	315.36	425.96
Depreciation on investment property (refer note 3.2)	3.18	3.17
Amortization on intangible assets (refer note 4)	327.54	324.59
	646.08	**753.72**

24 Other expenses

₹ in Lacs

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
Consumables		15.77		18.40
Outsourcing cost		1,590.79		1,266.19
Power and fuel		446.66		493.44
Rent (refer note 34 b)		372.12		431.68
Hire charges		10.17		11.90
Repairs and maintenance - buildings		299.94		283.97
Repairs and maintenance - plant and machinery		283.50		156.83
Repairs and maintenance - others		0.79		0.83
Insurance		23.85		24.24
Rates and taxes		33.58		72.27
Communication		433.42		410.31
Travelling and conveyance		450.98		373.03
Expenditure on corporate social responsibility (refer note 35)		196.36		191.79
Legal and professional		252.09		270.58
Directors sitting fees		33.60		19.80
Commission to non-executive directors		46.40		60.20
Payments to auditors (refer note (i) below)		45.74		39.35
Bad debts written off	19.39		7.96	
Less: Allowances for expected credit loss utilised for the above	11.30	8.09	1.51	6.45
MTM and net loss on foreign currency transactions		39.70		-
Advances written off		-		28.27
Allowances for expected credit loss and doubtful advances		-		2.08
Loss on investment carried at fair value through profit or loss		86.47		-
Software expenses		110.55		41.22
Sales and marketing expenses		151.21		30.52
Miscellaneous expenses		195.23		223.00
		5,127.01		**4,456.35**

₹ in Lacs

(i) Payments to the auditors comprises (net of iput credit, where applicable):	Year ended 31 March 2019	Year ended 31 March 2018
To Statutory auditors		
for statutory audit	25.00	20.00
for tax audit	2.00	2.00
for other services	15.51	13.00
for reimbursement of expenses	3.23	4.35
	45.74	**39.35**

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

25 Income tax

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

₹ in Lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Current income tax:		
Current income tax charge for the year	2,970.97	3,099.51
Adjustments in respect of current income tax of previous years	6.41	(7.16)
	2,977.38	**3,092.35**
Deferred tax:		
Deferred tax on profits for the year	134.89	143.06
Adjustments in respect of deferred tax of previous years	-	-
	134.89	**143.06**
Income tax expense reported in the Statement of Profit and Loss	**3,112.27**	**3,235.41**
OCI section		
Tax related to items that will not be reclassified to Profit and Loss	3.92	25.76
Income tax charged to OCI	**3.92**	**25.76**

Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2019 and 31 March 2018:

₹ in Lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Accounting profit before income tax	10,586.27	10,056.60
At India's statutory income tax rate	29.120%	34.608%
Computed Tax Expense	**3,082.72**	**3,480.39**
Change in tax rate	-	(77.08)
Tax exempt income	(3.87)	(182.64)
Non-deductible expenses	33.08	37.70
Others	(6.07)	(15.80)
Tax relating to earlier years	6.41	(7.16)
Income tax charged to Statement of Profit and Loss at effective rate of 29.40% (31 March 2018: 32.17 %) (refer point (a) below)	**3,112.27**	**3,235.41**

(a) Effective tax rate has been calculated on profit before tax.

(b) Income tax rates has reduced from 30% to 25% effective 1 April 2018 for the domestic companies having turnover or gross receipts does not exceed ₹25,000 Lacs. Consequential deferred tax income of ₹77.08 Lacs has been appropriately adjusted in the tax expense for the year ended 31 March 2018.

26 Earnings per equity share

₹ in Lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Profit for the year attributable to the owners of the Company	7,474.00	6,821.19
Weighted average number of equity shares outstanding	1,86,16,926	1,86,16,926
Face value per share (₹)	10	10
Earnings Per Share- Basic & Diluted (₹)	**40.14**	**36.64**

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

27 Micro, small and medium enterprises

There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at the end of year except for the amount of ₹4.61 Lacs against which interest has been accrued (refer below(ii)). The information as required to be disclosed in relation to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(i) The principal amount remaining unpaid to any supplier as at the end of the year	26.21	14.81
(ii) The interest due on principal amount remaining unpaid to any supplier as at the end of the year	0.31	-
(iii) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

28 Employee benefits in respect of the Company have been calculated as under:

(A) Defined Contribution Plans

The Company has certain defined contribution plan such as provident fund, 401(k) plan and employee state insurance (ESI), scheme for qualifying employees. Under the schemes, the company is required specified percentage of payroll costs to fund the benefits. During the year, the Company has contributed following amounts to:

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Employer's contribution to provident fund	353.18	397.63
Employer's contribution to 401(k) plan	2.36	27.55
Employer's contribution to employee state insurance	97.88	106.46
	453.42	**531.64**

28 Employee benefits in respect of the Company have been calculated as under: *(contd...)*

(B) Defined Benefit Plans

i. Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.22% p.a. (31 March 2018: 7.65% p.a.) which is determined by reference to market yield at the Balance Sheet date on Government bonds.

The retirement age has been considered at 58 to 65 years (31 March 2018: 58 to 65 years) and mortality table is as per IALM (2006-08) (31 March 2018: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 6% p.a. (31 March 2018: 6% p.a.), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for employees of the Company. The expected rate of return on plan assets is 7.22% p.a. (31 March 2018: 7.65% p.a.).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of obligation at the beginning of the year	623.63	589.63
Current service cost	72.56	71.80
Interest cost	47.71	44.28
Actuarial (gain)/ loss	11.40	79.05
Benefits paid	(103.11)	(161.13)
Present value of obligation at the end of the year	**652.19**	**623.63**

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of obligation at the end of the year	652.19	623.63
Fair value of plan assets at the end of the year	(560.29)	(492.83)
Net liabilities recognised in the Balance Sheet	**91.90**	**130.80**

Fair Value of Plan Assets

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Plan assets at the beginning of the year	492.83	517.35
Expected return on plan assets	37.71	38.85
Contribution by employer	134.93	107.16
Actual benefits paid	(103.11)	(161.13)
Actuarial gain/ (loss)	(2.07)	(9.40)
Plan assets at the end of the year	**560.29**	**492.83**

Company's best estimate of contribution during next year is ₹167.48 Lacs (31 March 2018: ₹203.36 Lacs).

28 Employee benefits in respect of the Company have been calculated as under: *(contd...)*

Composition of the plan assets is as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Central Government Securities	18.75%	20.82%
State Government Securities	49.70%	45.36%
Debentures and Bonds	22.71%	27.50%
Equity Shares	3.92%	2.01%
Fixed Deposits	-	3.65%
Money Market Instruments	4.92%	0.66%

The above composition of plan assets are based on details received for 31 March 2018. Details for 31 March 2019 are awaited from LIC.

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	72.56	71.80
Interest cost	10.00	5.43
Expense recognised in the Statement of Profit and Loss	**82.56**	**77.23**

Amount recognised in the other comprehensive income:

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Actuarial loss/(gain) due to demographic assumption change	-	53.83
Actuarial loss/(gain) due to financial assumption change	16.14	(5.20)
Actuarial loss/(gain) due to experience adjustment	(4.74)	30.42
Actuarial (gain)/loss on plan assets	2.07	9.40
Amount recognised in the Other Comprehensive Income	**13.47**	**88.45**

Sensitivity analysis

₹ in Lacs

Particulars	Year ended 31 March 2019		Year ended 31 March 2019	
Assumptions	Discount rate		Future salary increase	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(18.70)	19.80	19.94	(18.99)

₹ in Lacs

Particulars	Year ended 31 March 2018		Year ended 31 March 2018	
Assumptions	Discount rate		Future salary increase	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(17.89)	18.96	19.17	(18.25)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

29 Fair value measurements

₹ in Lacs

Particulars	Note	Level of hierarchy	As at 31 March 2019			As at 31 March 2018		
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets								
Investments in mutual fund (excluding investment in subsidiaries)	(d)	1	16,771.70	-	-	28,799.72	-	-
Investments in Preference shares of subsidiary	(e, h)	3	2,113.53	-	-	-	-	-
Trade receivables	(a)		-	-	3,782.30	-	-	3,610.79
Loans	(a, b)		-	-	164.84	-	-	159.39
Loans to subsidiary	(f, g)	3	-	-	2,300.00	-	-	-
Cash and cash equivalents	(a)		-	-	571.42	-	-	282.19
Other bank balances	(a)		-	-	2,780.00	-	-	-
Derivative financial assets	(c)	2	102.38	-	-	-	-	-
Other financial assets	(a, b)		-	-	295.41	-	-	1,873.00
Total financial assets			**18,987.61**	**-**	**9,893.97**	**28,799.72**	**-**	**5,925.37**
Financial liabilities								
Trade payables	(a)		-	-	505.36	-	-	871.08
Derivative financial liabilities	(c)	2	-	-	-	34.84	-	-
Other financial liabilities	(a)		-	-	304.41	-	-	335.74
Total financial liabilities			**-**	**-**	**809.77**	**34.84**	**-**	**1,206.82**

Note:

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturity of these instruments.

(b) Fair value of non-current financial assets has not been disclosed as there is no significant differences between carrying value and fair value.

(c) Derivatives are carried at fair value at each reporting date. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

(d) The fair value of the mutual funds are based on net assets value of the funds as at reporting date.

(e) The following table shows the valuation techniques and the significant unobservable inputs used in determination of fair value of the Level 3 financial instruments measured at fair value:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investments in Preference shares of subsidiary (Non-Cumulative Redeemable Preference Shares)	Discounted cash flows: The valuation model considers the present value of expected receipts discounted using an adjusted discount rate	Adjusted discount rate 12.50%	The estimated fair value would increase by ₹74.68 Lacs (decrease by ₹71.21 Lacs) if the adjusted discount rate was lower by 1% (higher by 1%)

29 Fair value measurements *(contd...)*

(f) The following table shows the valuation techniques and the significant unobservable inputs used in determination of fair value of the Level 3 financial instruments not measured at fair value:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Other financial assets (Loans to subsidiary)	Discounted cash flows: The valuation model considers the present value of expected receipts discounted using an adjusted discount rate	Adjusted discount rate 9.40%	The estimated fair value would increase by ₹64.08 Lacs (decrease by ₹61.68 Lacs) if the adjusted discount rate was lower by 1% (higher by 1%)

(g) Fair value of loans is as below

Particulars	Level of hierarchy	Fair value ₹ in Lacs
Other financial assets (Loans to subsidiary)	3	2,247.87

(h) Reconciliation of loan measured at fair value using level 3 of fair value hierarchy is as below:

₹ in Lacs

Particulars	As at 31 March 2019
Addition during the year	2,200.00
Loss recognised in profit or loss	(86.47)
Repayment	-
Closing balance	**2,113.53**

* Refer note 2.18 for Level of hierarchy

30 Financial risk management

Risk management framework

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

i **Market risk**

Market risk includes foreign exchange risk, pricing risk and interest risk that may affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which revenue and expense are denominated and the functional currency of the Company. The currencies in which the Company is exposed to risk are USD, EUR, GBP and Others. The Company takes adequate foreign exchange forward covers as per the guidelines approved by the Board to mitigate currency risk.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

₹ in Lacs

Particulars	As at 31 March 2019				As at 31 March 2018			
	USD	EUR	GBP	Others	USD	EUR	GBP	Others
Cash and cash equivalents	349.47	3.75	129.66	1.81	158.48	0.51	19.63	-
Trade receivables	3,185.78	110.84	390.56	86.63	2,417.18	93.43	1,111.26	23.99
Trade payables	(99.01)	(5.34)	-	(1.76)	(150.96)	(21.55)	(0.18)	-
Other financial liabilities	(75.09)	-	-	-	(59.34)	-	-	-
Net statement of financial position exposure	**3,361.15**	**109.25**	**520.22**	**86.68**	**2,365.36**	**72.39**	**1,130.71**	**23.99**

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

30 Financial risk management *(contd...)*

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, EUR and GBP against INR at 31 March would have affected the measurement of financial exposure denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact on forecast revenue and expenses.

₹ in Lacs

	Profit or Loss (before tax)			
	Year ended 31 March 2019		Year ended 31 March 2018	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	33.61	(33.61)	23.65	(23.65)
EUR (1% movement)	1.09	(1.09)	0.72	(0.72)
GBP (1% movement)	5.20	(5.20)	11.31	(11.31)
Others (1% movement)	0.87	(0.87)	0.24	(0.24)

Forward covers

The Company takes adequate foreign exchange forward covers to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is bank. These forward covers are value based on quoted prices for similar assets and liabilities in active markets or input that are directly or indirectly observable in the marketplace.

The details in respect of outstanding foreign currency forward contract are as follows:

Forward exchange contract	Buy/Sell	Year ended 31 March 2019		Year ended 31 March 2018	
		FC in Lacs	₹ in Lacs	FC in Lacs	₹ in Lacs
USD	Sell	40.00	2,875.28	72.00	4,748.55
GBP	Sell	9.00	838.98	21.00	1,933.13

Pricing risk:

Pricing pressure is a 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.

Interest rate risk

The Company is not exposed to interest rate risk.

ii Credit risk

Trade receivables and other financial assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and if a customer fails to meet its contractual obligations. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Details of concentration of revenue are as follows:

₹ in Lacs

Particulars	Yaer ended 31 March 2019	Year ended 31 March 2018
Revenue from top 2 customers (more than 10% revenue individually)	8,487.41	7,644.67
Revenue from top 15 customers	19,495.83	17,261.78

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.

30 Financial risk management *(contd...)*

Expected credit loss for trade receivables:

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss.

Movement in the expected credit loss allowance of trade receivables are as follows:

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	41.29	72.15
Add: Provided during the year (net of reversal)	(15.82)	(29.35)
Less: Amount written off	(11.30)	(1.51)
Balance at the end of the year	**14.17**	**41.29**

Expected credit loss on financial assets other than trade receivables:

With regard to other financial assets with contractual cash flows other than trade receivables, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no material provision for excepted credit loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet.

Investments

The Company limits its exposure to credit risk by investing in liquid securities and short term bonds and only with counterparties that have a good credit rating. The Company invests as per the guidelines approved by the Board to mitigate this risk.

iii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements. Liquidity situation is reviewed regularly by the management.

Exposure to liquidity risk

The following are the details of contractual maturities of financial liabilities at the reporting date:

₹ in Lacs

	Contractual Cash flows					
	As at 31 March 2019			As at 31 March 2018		
	Carrying Amount	Within 1 year	More than 1 Year	Carrying Amount	Within 1 year	More than 1 Year
Non-derivative financial liabilities						
Trade payables	505.36	505.36	-	871.08	871.08	-
Other financial liabilities	304.41	304.41	-	335.74	335.74	-
Derivative financial liabilities						
Other financial liabilities (forward covers)	-	-	-	34.84	34.84	-

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

31 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure is as follows:

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Total equity attributable to the equity share holders of the Company	1,861.69	1,861.69
As percentage of total capital	100%	100%

The Company is equity financed which is evident from the capital structure. Further, the Company has always been a net cash company with cash and bank balances along with investment which is predominantly investment in fixed deposits with bank, liquid and short term mutual funds.

32 Related party transactions

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", (specified under section 133 of the Companies Act, 2013) are disclosed below:-

A Names of related parties and description of relationship:

S.No.	Description of relationship	Names of rwelated parties
1	Holding Company	ADI BPO Services Limited
2	Subsidiary Company	MPS North America LLC
		MAG+AB, Sweden (refer note 2 below)
		MPS Interactive Systems Limited (w.e.f 10 May 2018)
		TOPSIM GmbH (w.e.f 2 July 2018)
		MPS Europa AG (w.e.f 5 July 2018)
3	Downstream Subsidiary Company	Magplus Inc,USA (merged with its holding company w.e.f 10 August 2017)
4	Company Under Common Control	ADI Media Private Limited
5	Key management personnel (KMP)	Mr. Nishith Arora, Non-Executive Chairman w.e.f 15 May 2017 (Executive Chairman and Whole time Director till 14 May 2017)
		Mr. Rahul Arora, Managing Director w.e.f 12 August 2018 (Chief Executive Officer and Whole Time Director till 11 August 2018)
		Ms. Yamini Tandon, Non- Executive Director
		Mr. D E Udwadia, Non-Executive Director (till 29 March 2019)
		Mr. Ashish Dalal, Non-Executive Director (till 9 March 2018)
		Mr. Vijay Sood, Non-Executive Director
		Mr. Ambarish Raghuvanshi, Non-Executive Director w.e.f 01 May 2018
		Mr. Sunil Shah, Non-Executive Director (Additional Director) w.e.f 11 December 2018
		Mr. Sunit Malhotra, CFO & Company Secretary (Company Secretary w.e.f 23 October 2017) and Director of holding company till 15 January 2018
		Mr. Hitesh Jain, Company Secretary till 12 September 2017
		Ms. Gagan Sahni Tyagi, Director of holding company
		Ms. Pooja Singh (Director of holding company w.e.f 15 January 2018)
6	Firm in which KMP is a partner	M/s Udwadia & Co.

32 Related party transactions *(contd...)*

B Transactions during the year

₹ in Lacs

	Description of transactions:	Name of related party	Relationship	Year ended 31 March 2019	Year ended 31 March 2018
1	Rentals paid	ADI BPO Services Limited	Holding Company	160.20	160.20
		ADI Media Private Limited	Company Under Common Control	5.28	3.08
2	Infrastructure charges	ADI BPO Services Limited	Holding Company	51.60	51.60
3	Reimbursement of expenses-paid	ADI BPO Services Limited	Holding Company	128.48	125.56
		ADI Media Private Limited	Company Under Common Control	4.01	2.33
		TOPSIM GmbH	Subsidiary Company	1.41	-
		MPS Europa AG	Subsidiary Company	9.70	-
4	Reimbursement of expenses-received	MPS Interactive Systems Limited	Subsidiary Company	0.36	-
5	Rendering of services	MPS North America LLC	Subsidiary Company	1,500.68	2,043.09
		Magplus Inc	Downstream Subsidiary Company	-	215.59
		TOPSIM GmbH	Subsidiary Company	32.70	-
6	Interest Income on ICD	MPS Interactive Systems Limited	Subsidiary Company	152.78	-
7	Sale of Property, Plant and Equipment	MPS North America LLC	Subsidiary Company	0.32	-
8	Purchase of Property, Plant and Equipment	MPS Interactive Systems Limited	Subsidiary Company	22.74	-
9	Investment in Equity Shares	MPS Interactive Systems Limited	Subsidiary Company	6,200.00	-
		TOPSIM GmbH	Subsidiary Company	599.18	-
		MPS Europa AG	Subsidiary Company	810.39	-
10	Investment in Preference Shares	MPS Interactive Systems Limited	Subsidiary Company	2,200.00	-

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

32 Related party transactions *(contd...)*

B Transactions during the year

₹ in Lacs

	Description of transactions:	Name of related party	Relationship	Year ended 31 March 2019	Year ended 31 March 2018
11	Loan given	MPS Interactive Systems Limited	Subsidiary Company	2,300.00	-
12	Net Assets realised pursuant to liquidation of subsidiary	MAG+AB, Sweden	Subsidiary Company	-	669.81
13	Remuneration				
(i)	Short-term employee benefits	Mr. Nishith Arora	KMP	-	9.20
		Mr. Rahul Arora	KMP	228.44	180.88
		Mr. Sunit Malhotra	KMP	63.44	48.56
		Mr. Hitesh Jain	KMP	-	15.21
		Ms. Gagan Sahni Tyagi	KMP	18.31	17.91
		Ms. Pooja Singh	KMP	18.76	5.35
(ii)	Post-employment benefits	Mr. Sunit Malhotra	KMP	2.24	1.45
		Ms. Gagan Sahni Tyagi	KMP	0.29	0.65
		Ms. Pooja Singh	KMP	0.76	0.11
14	Director Sitting Fees	Mr. D E Udwadia	KMP	10.20	6.00
		Mr. Ashish Dalal	KMP	-	4.40
		Mr. Vijay Sood	KMP	13.60	9.40
		Mr. Ambarish Raghuvanshi	KMP	8.40	-
		Mr. Sunil Shah	KMP	1.40	-
15	Commission	Mr. D E Udwadia	KMP	14.12	17.84
		Mr. Ashish Dalal	KMP	-	13.38
		Mr. Vijay Sood	KMP	19.16	28.98
		Mr. Ambarish Raghuvanshi	KMP	11.10	-
		Mr. Sunil Shah	KMP	2.02	-
16	Professional services rendered	M/s Udwadia & Co.	Firm in which KMP is a partner	0.57	4.11

32 Related party transactions *(contd...)*

C Balances at the year end

₹ in Lacs

	Balances at the year end	Name of related party	Relationship	As at 31 March 2019	As at 31 March 2018
1	Security deposit placed	ADI BPO Services Limited	Holding Company	65.55	60.99
		ADI Media Private Limited	Company Under Common Control	0.72	0.68
2	Prepayment rent	ADI BPO Services Limited	Holding Company	31.48	36.72
		ADI Media Private Limited	Company Under Common Control	0.15	0.19
3	Trade receivables	MPS North America LLC	Subsidiary Company	298.72	424.28
		TOPSIM GmbH	Subsidiary Company	32.29	-
4	Trade payables	ADI BPO Services Limited	Holding Company	1.27	1.62
		ADI Media Private Limited	Company Under Common Control	-	0.26
5	Payables on purchase of fixed assets	MPS Interactive Systems Limited	Subsidiary Company	0.32	-
6	Other receivables	MPS North America LLC	Subsidiary Company	0.15	-
		MPS Interactive Systems Limited	Subsidiary Company	0.43	-
7	Interest accrued on deposits	MPS Interactive Systems Limited	Subsidiary Company	48.60	-
8	Projected benefit obligation	Mr. Sunit Malhotra	KMP	9.48	7.01
		Ms. Gagan Sahni Tyagi	KMP	2.00	1.67
		Ms. Pooja Singh	KMP	2.32	1.51

Notes:

1 No amount has been written off / written back during the year in respect of dues from / to related parties.

2 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. MAG+AB, was liquidated in December 2017 and ceased to be a subsidiary of the Company. Residual fund of MAG+AB has been disbursed to the Company in extinguishment of 100 percent shareholding of the Company in MAG+AB. The difference between the net assets and investment value amounting to ₹220.55 lacs has been considered as gain on disposal of investment and presented under the head "other income".

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless stated otherwise

33 Contingent liabilities to the extent not provided for:

(i) Claims against Company, disputed by the Company, not acknowledged as debt:

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Income tax	706.39	930.87
(b) Service tax	380.92	280.90
(c) Employee State Insurance (ESI) and Provident Fund (PF)	2.44	2.44
(d) Other claims	-	194.31

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.

(ii) The Supreme Court on 28 February 2019 has provided its judgment regarding inclusion of other allowances such as travel allowances, special allowances, etc., within the expression 'basic wages' for the purpose of computation of contribution of provident fund under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 ('EPF Act'). There are interpretive challenges on the application of the Supreme Court Judgment including the period from which judgment would apply, consequential implications on resigned employees, etc. Further, various stakeholders have also filed representations with PF authorities in this respect. All these factors raises significant uncertainty regarding the implementation of the Supreme Court Judgment. Owing to the aforesaid uncertainty and pending clarification from regulatory authorities in this regard, the Company has recognized provision for the PF contribution on the basis of above mentioned order with effect from the order date. Further, the management believes that impact of aforementioned uncertainties on the financial statements of the Company should not be material.

34 Commitments as at year end

a) Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹0.07 Lacs (31 March 2018: ₹38.72 Lacs).

b) Leases:

(i) The Company has entered into cancellable and non-cancellable operating leases for office premises. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are ₹359.85 Lacs (31 March 2018: ₹410.09 Lacs) has been included under rent expense in note 24.

(ii) The Company has operating lease arrangements in respect of vehicles which are cancellable, range between 1 years to 5 years. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are ₹12.27 Lacs (31 March 2018: ₹21.59 Lacs) has been included under rent expense in note 24.

(iii) The Company has significant operating lease arrangements which are non-cancellable for a period up to 3 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The schedule of future minimum lease rental payments in respect of non-cancellable operating leases is set out below:

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
- not later than one year	-	211.80
- later than one year and not later than five years	-	-
- later than five years	-	-

35 Corporate Social Responsibility (CSR) Expense

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 ₹196.94 Lacs (for the year ended 31 March 2018; ₹191.79 Lacs).

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

₹ in Lacs

Purpose	Year ended 31 March 2019	Year ended 31 March 2018
Promotion of education and skills	152.68	140.46
Health care	43.68	51.33
Total	**196.36**	**191.79**

36 Business Combination:

The Company during the year ended 31 March 2017, had given purchase consideration of ₹428.16 Lacs in cash to acquire certain assets including application platform business from Digital River, Inc. a company based in USA vide asset purchase agreement dated 3 February 2017 which qualifies for business combination accounting. 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. The acquisition of THINK Subscription strengthens the Company's platform capabilities to include subscription management and fulfillment solutions.

Following assets and liabilities have been recorded on fair value through business combination accounting by the Company :

₹ in Lacs

Particulars	Note	As at 1 April 2017
Property, plant and equipment	3.1	62.69
Other intangible assets	4	453.01
Trade receivables		168.91
Advance from customers		(306.72)
Net assets		**377.89**
Purchase consideration		428.16
Goodwill on acquisition	4	**50.27**

The goodwill of ₹50.27 Lacs comprises value of acquired workforce and expected synergies arising from the acquisition. Goodwill is deductible for income tax purposes.

The company incurred acquisition related cost of ₹5.37 Lacs on legal fees and due diligence costs. These cost have been included in legal and professional fees under the head "other expenses".

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

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

38 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

Provision for service tax matter	As at 31 March 2019	As at 31 March 2018
As at commencement of the year	154.28	149.46
Additions	4.82	4.82
Utilisation	-	-
As at end of the year	**159.10**	**154.28**
Out of the above following amount are expected to be incurred within year	159.10	154.28

39 During the Financial Year 2017-18 the Board of Directors of the Company had approved the Scheme of Amalgamation involving Amalgamation of ADI BPO Services Limited (post demerger of its 'Infrastructure Management Business Undertaking' into ADI Media Private Limited) into the Company.

During the Financial Year 2018-19, the Board of Directors of the Company, based on a communication from ADI BPO Services Limited that the Board of ADI BPO Services Limited had decided to withdraw the proposed Scheme of demerger of "Infrastructure Management Business Undertaking" of ADI BPO Services Limited into ADI Media Private Limited and pursuant to Clause 38 (c) and proviso 39.2 of Clause 39 of the Scheme of Amalgamation declared the said Scheme to be null and void. Pursuant to Clause 40, the Company has taken steps for withdrawal of the Scheme with National Company Law Tribunal (NCLT), Chennai and withdrawal of such Scheme has been approved by NCLT, Chennai on 01 February 2019.

40 The Company publishes this financial statement along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

41 Disclosure pursuant to section 186(4) of the Companies Act, 2013 in respect of unsecured loans to subsidiary companies (refer note 32):

₹ in Lacs

MPS Interactive Systems Limited	Purpose/Term of loan	Year ended 31 March 2019
Outstanding as at the beginning of year	General business purpose for a tenure of 5 years	-
Given during the year		2,300.00
Repaid during the year		-
Maximum balance outstanding		2,300.00
Outstanding as at the end of year		**2,300.00**

42 Revenue from contracts with customers

(i) Revenue from contracts with customers

Revenues for the year ended 31 March 2019 and 31 March 2018 are as follows:

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Content solutions	18,439.18	17,751.76
Platform solutions	3,957.07	4,082.44
	22,396.25	**21,834.20**

42 Revenue from contracts with customers *(contd...)*

(ii) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market and major products/service lines.

₹ in Lacs

Revenue by geographical markets	Year ended 31 March 2019			Year ended 31 March 2018		
	Content solutions	Platform solutions	Total	Content solutions	Platform solutions	Total
India (country of domicile)	21.71	58.02	**79.73**	10.82	5.63	**16.45**
Europe	9,786.58	1,889.61	**11,676.19**	8,732.14	1,671.71	**10,403.85**
USA	8,320.07	1,845.31	**10,165.38**	8,703.48	2,207.91	**10,911.39**
Rest of the World	310.82	164.13	**474.95**	305.32	197.19	**502.51**
Total	**18,439.18**	**3,957.07**	**22,396.25**	**17,751.76**	**4,082.44**	**21,834.20**

Refer note 30 (ii) on Financial risk management for information on revenue from top customers.

(iii) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

₹ in Lacs

	As at 31 March 2019
Receivables, which are included in 'Trade and other receivables' (refer note 10)	3,782.30
Unbilled revenue (refer note 7(ii))	85.63
Contract assets (refer note 9(ii))	2,140.68
Contract liabilities (refer note 16)	475.52

Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days.

Changes in Contract assets and Contract Liabilities are as follows:

₹ in Lacs

	Year ended 31 March 2019 Contract Assets	Year ended 31 March 2019 Contract Liabilities
Balance as on the date of transition (1 April 2018)	**1,527.12**	**392.97**
Revenue recognised that was included in the unearned balance at the beginning of the year	-	(372.58)
Increases due to cash received, excluding amounts recognised as revenue during the year	-	455.13
Transfers from contract assets recognised at the beginning of the period to receivables	(1,430.69)	-
Increases as a result of changes in the measure of progress	2,044.25	-
Balance at the end of the year	**2,140.68**	**475.52**

Notes forming part of Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

42 Revenue from contracts with customers *(contd...)*

(iv) The amount of revenue recognised in 31 March 2019 from performance obligations satisfied (or partially satisfied) in previous periods, mainly due to the changes in the transaction price is ₹46.45 Lacs.

(v) Reconciliation of revenue recognized with the contracted price is as follows:

₹ in Lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Contracted price	22,443.50	21,905.30
Reductions towards variable consideration components	(47.25)	(71.10)
Revenue recognised	22,396.25	21,834.20

The reduction towards variable consideration comprises of volume discounts, bulk discount and price discount, etc.

(vi) Transaction price allocated to the remaining performance obligations

The Company applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Shashank Agarwal
Partner
Membership Number: 095109

Place: Gurugram
Date : 17 May 2019

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

Rahul Arora
Managing Director
DIN: 05353333

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 17 May 2019

Independent Auditor's Report

To the Members of MPS Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of MPS Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 2019 of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard).

The key audit matter	How the matter was addressed in our audit
The application of the new revenue accounting standard involves certain key judgements relating to identification of contract and distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Refer Notes 2.9 and 43 to the Consolidated Financial Statements	We assessed the Group process to identify the impact of adoption of the new revenue accounting standard. In view of the significance of the matter we applied the following audit procedures in this area, amongst others to obtain sufficient appropriate audit evidence : - Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. - Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal controls relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.

The key audit matter	How the matter was addressed in our audit
	- Evaluated the following documents in relation to the existence of contracts as per the requirement of Ind AS 115: • Sample of customer contracts, communication, agreed price list and payment terms of invoices. • Legal opinion taken by the Group in relation to establishment of contract and its legal enforceability based on correspondence between the parties, and their conduct, price list and payment practices, where there is no formal written contract. - Selected a sample of continuing and new contracts and performed the following procedures: • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Group. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with estimated efforts computed. • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.

Accounting for Business combinations

The key audit matter	How the matter was addressed in our audit
As explained in note 37 to the consolidated financial statements, the Group, through MPS Interactive Systems Limited (a wholly owned subsidiary), acquired the eLearning Business from Tata Interactive Systems (a division of Tata Industries Limited). The Group has also acquired through Share Purchase Agreement the entire paid up equity share capital held by Tata Industries Limited in Tata Interactive Systems GmbH, Germany on 2 July 2018 and Tata Interactive Systems AG, Switzerland on 5 July 2018. In accounting for a business combination, there is judgement and inherent uncertainty in the estimation used in allocating the overall purchase price to the different assets and liabilities that make up the acquisition. Accordingly, we have identified this as a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, amongst others to obtain sufficient appropriate audit evidence: - review of asset purchase agreements and share purchase agreement, to determine whether the appropriate intangible assets have been identified and that no unusual terms exist that have not been accounted for; - involving independent valuation specialist to assist in evaluation of the valuation assumptions used for fair valuation of the assets and liabilities acquired; and - evaluated the adequacy of the consolidated financial statement disclosures.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 each company. 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹2,355.76 Lacs as at 31 March 2019, total revenues of ₹2,427.29 Lacs and net cash flows amounting to ₹802.30 Lacs for the year 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-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

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 reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, 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 (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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 Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies in India is disqualified as on 31 March 2019 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 with reference to financial statements of the Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 34 to the consolidated financial statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.

   iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2019.

   iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019

C. With respect to the matter to be included in the Auditor's report under section 197(16):

   In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Shashank Agarwal
Partner
Membership No. 095109

Place: Gurugram
Date: 17 May 2019

Annexure A to the Independent Auditors' report on the consolidated financial statements of MPS Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of MPS Limited (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 which are its subsidiary company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated 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 internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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 with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Shashank Agarwal
Partner
Membership No. 095109

Place: Gurugram
Date: 17 May 2019

Consolidated Balance Sheet as at 31 March 2019

₹ in Lacs

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	2,137.04	1,948.85
Capital work in progress	3.1	18.38	-
Investment property	3.2	110.76	113.94
Goodwill	4	6,006.87	1,794.27
Other intangible assets	4	2,031.77	1,020.78
Financial assets			
Loans	5 (i)	243.67	154.16
Other financial assets	6 (i)	26.54	26.14
Income tax assets (net)	7 (i)	970.07	636.64
Deferred tax assets (net)	13	86.53	-
Other non-current assets	8 (i)	462.39	370.29
Total non-current assets		**12,094.02**	**6,065.07**
Current assets			
Financial assets			
Investments	9	21,204.93	28,799.72
Trade receivables	10	6,871.11	4,614.54
Cash and cash equivalents	11 (i)	4,752.45	2,299.01
Other bank balances	11 (ii)	2,915.51	-
Loans	5 (ii)	29.87	17.82
Other financial assets	6 (ii)	441.43	2,435.16
Income tax assets (net)	7 (ii)	41.95	-
Other current assets	8 (ii)	5,390.19	894.98
Total current assets		**41,647.44**	**39,061.23**
TOTAL ASSETS		**53,741.46**	**45,126.30**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	1,861.69	1,861.69
Other equity		45,253.85	40,005.86
Total equity		**47,115.54**	**41,867.55**
Liabilities			
Non-current liabilities			
Provisions	17 (i)	47.02	-
Deferred tax liabilities (net)	13	668.69	489.75
Total non-current liabilities		**715.71**	**489.75**
Current liabilities			
Financial liabilities			
Trade payables			
Due to Micro and Small enterprises	14	26.52	14.81
Due to Others	14	1,304.98	1,094.28
Other financial liabilities	15	707.73	493.83
Other current liabilities	16	3,467.15	676.04
Provisions	17 (ii)	268.20	289.91
Income tax liabilities (net)	18	135.63	200.13
Total current liabilities		**5,910.21**	**2,769.00**
TOTAL EQUITY AND LIABILITIES		**53,741.46**	**45,126.30**
Significant accounting policies	2		
Notes to financial statements	3-43		
The accompanying notes form an integral part of consolidated financial statements			

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Shashank Agarwal
Partner
Membership Number: 095109

Place: Gurugram
Date : 17 May 2019

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

Rahul Arora
Managing Director
DIN: 05353333

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 17 May 2019

Consolidated Statement of Profit & Loss for the year ended 31 March 2019

₹ in Lacs

	Note	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	19	36,253.64	26,703.37
Other income	20	2,526.06	2,297.86
Total income		**38,779.70**	**29,001.23**
Expenses			
Employee benefits expense	21	16,445.91	11,148.63
Finance costs	22	19.05	12.66
Depreciation and amortization expense	23	1,106.60	804.53
Other expenses	24	10,472.97	6,849.38
Total expenses		**28,044.53**	**18,815.20**
Profit before exceptional items and tax		**10,735.17**	**10,186.03**
Exceptional items		-	-
Profit before tax		**10,735.17**	**10,186.03**
Tax expense:	25		
Current tax		3,051.55	3,194.72
Adjustment of tax relating to earlier years		35.83	(7.16)
Deferred tax	13	44.26	(22.47)
Total tax expenses		**3,131.64**	**3,165.09**
Profit for the year		**7,603.53**	**7,020.94**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit liability/assets		88.88	(88.45)
Income tax relating to items that will not be reclassified to profit or loss		(28.01)	25.76
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		276.83	90.73
Total other comprehensive income for the year , net of tax		**337.70**	**28.04**
Total comprehensive income for the year		**7,941.23**	**7,048.98**
Earnings per equity share (nominal value of share ₹10)			
Basic and diluted (earnings per equity share expressed in absolute amount in Indian Rupees)	26	40.83	37.71
Significant accounting policies	2		
Notes to financial statements	3-43		
The accompanying notes form an integral part of consolidated financial statements			

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Shashank Agarwal
Partner
Membership Number: 095109

Place: Gurugram
Date : 17 May 2019

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

Rahul Arora
Managing Director
DIN: 05353333

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 17 May 2019

Consolidated Statement of change in equity for the year ended 31 March 2019

A. Equity share capital

	₹ in Lacs
Balance as at 1 April 2017	**1,861.69**
Changes in equity share capital during the year	-
Balance as at 31 March 2018	**1,861.69**
Changes in equity share capital during the year	-
Balance as at 31 March 2019	**1,861.69**

B. Other equity

₹ in Lacs

Particulars	Reserve and Surplus (refer note 1 below)			Other Comprehensive income (refer note 1 below)	Total
	Securities premium account	General reserve	Retained earnings	Foreign currency translation reserve	
As at 1 April 2017	**14,600.33**	**2,849.32**	**15,708.65**	**(229.83)**	**32,928.47**
Profit for the year	-	-	7,020.94	-	7,020.94
Other comprehensive income	-	-	(62.69)	90.73	28.04
Transfer to profit or loss on liquidation of subsidiary	-	-	-	28.41	28.41
Total comprehensive income for the year	**-**	**-**	**6,958.25**	**119.14**	**7,077.39**
Transfer to general reserve	-	-	-	-	-
As at 31 March 2018	**14,600.33**	**2,849.32**	**22,666.90**	**(110.69)**	**40,005.86**
As at 1 April 2018	**14,600.33**	**2,849.32**	**22,666.90**	**(110.69)**	**40,005.86**
Profit for the year	-	-	7,603.53	-	7,603.53
Other comprehensive income	-	-	60.87	276.83	337.70
Total comprehensive income for the year	**-**	**-**	**7,664.40**	**276.83**	**7,941.23**
Dividends	-	-	(2,234.03)	-	(2,234.03)
Income tax on dividend	-	-	(459.21)	-	(459.21)
As at 31 March 2019	**14,600.33**	**2,849.32**	**27,638.06**	**166.14**	**45,253.85**

Notes:

1 Nature and purpose of other equity:

Securities premium reserve: The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve: This represents appropriation of profit by the Company and is available for distribution of dividend.

Retained earning: This represents the cumulative profits/(losses) of the Group.

Foreign currency translation reserve: Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Group dispose or partially dispose off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

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

Shashank Agarwal
Partner
Membership Number: 095109

Rahul Arora
Managing Director
DIN: 05353333

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 17 May 2019

Place: Gurugram
Date : 17 May 2019

Consolidated Cash Flow Statement for the year ended 31 March 2019

₹ in Lacs

	Year ended 31 March 2019	Year ended 31 March 2018
A. Cash flow from operating activities		
Net profit before tax	**10,735.17**	**10,186.03**
Adjustments:		
Depreciation and amortisation expense	1,106.60	804.53
Interest income	(87.24)	(2.93)
Dividend income	(13.28)	(135.72)
Net gain on sale of current investment	(159.09)	(494.01)
Finance costs	19.05	12.66
(Gain)/loss on sale/disposal/discard of property, plant and equipment (net)	17.37	(11.96)
(Gain)/loss on investment carried at fair value through profit or loss	(1,441.83)	(923.75)
Liabilities/provisions no longer required written back	(198.32)	(431.80)
Allowances for credit loss	(15.95)	91.78
Bad debts written off/(reversal)	73.64	93.91
(Gain)/Loss allowance for doubtful advances	(0.28)	2.08
Income from government grants	(566.93)	-
Loans and advances written off	-	28.27
Unrealised foreign exchange (gain)/loss (net)	(7.88)	90.04
Unrealised foreign exchange (gain)/loss on mark-to-market on forward contracts	(137.22)	234.99
Operating cash flows before working capital changes	**9,323.81**	**9,544.12**
(Increase)/decrease in trade receivables	(1,127.83)	1,226.98
Decrease/(increase) in loans	232.07	(19.11)
Decrease/(increase) in other financial assets	2,271.52	(742.63)
(Increase) in other current assets	(2,799.38)	(151.74)
Decrease in other non current assets	132.15	1,085.45
(Decrease)/increase in trade payables	(52.17)	24.98
(Decrease) in other financial liabilities	(102.59)	(240.76)
Increase in other current liabilities	1,134.76	169.19
(Decrease) in provisions	(122.14)	(43.75)
Cash generated from operations	**8,890.20**	**10,852.73**
Income tax paid (net of refund)	(3,527.25)	(3,094.32)
Net cash generated from operating activities (A)	**5,362.95**	**7,758.41**
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress)	(280.90)	(166.03)
Purchase of other intangible assets	(36.63)	(55.02)
Sale of property, plant and equipment and other intangible assets	63.36	50.19
Acquisition of business# (refer note 37)	(6,450.26)	(428.16)
Purchase of current investments	(22,837.76)	(42,775.66)
Sale of current investments	32,033.47	35,992.20
Purchase of term deposits	(2,915.51)	-
Dividends received	13.28	135.72
Interest received	25.38	3.06
Net cash used in investing activities (B)	**(385.57)**	**(7,243.70)**

Consolidated Cash Flow Statement for the year ended 31 March 2019

₹ in Lacs

	Year ended 31 March 2019	Year ended 31 March 2018
C. Cash flow from financing activities		
Finance cost	(8.69)	(4.92)
Final dividend paid	(2,234.03)	-
Tax on dividend	(459.21)	-
Net cash used in financing activities (C)	**(2,701.93)**	**(4.92)**
Net increase in cash and cash equivalents (A+B+C)	**2,275.45**	**509.79**
Impact on cash flow on account of foreign currency translation reserve	179.57	49.51
Effects of exchange differences on cash and cash equivalents held in foreign currency	(1.58)	62.80
Cash and cash equivalents at the beginning of the year	2,299.01	1,676.91
Cash and cash equivalents at the end of the year (see below)	**4,752.45**	**2,299.01**
Components of cash and cash equivalents:		
Cash on hand	0.09	-
Balances with banks		
- Current accounts	3,959.34	2,131.48
- EEFC accounts	763.02	107.53
- Demand deposit accounts (demand deposits and deposits having original maturity of 3 months or less)	30.00	60.00
	4,752.45	**2,299.01**

Notes:

1. Statement of Cash Flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
2. During the year, the Company paid in cash ₹196.36 Lacs (31 March 2018: ₹191.79 Lacs) towards corporate social responsibility (CSR) expenditure (refer note 36).

Net of cash and cash equivalents acquired (refer note 37).

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

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

Shashank Agarwal
Partner
Membership Number: 095109

Rahul Arora
Managing Director
DIN: 05353333

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 17 May 2019

Place: Gurugram
Date : 17 May 2019

Notes forming part of Consolidated Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

1. Corporate Information

MPS Limited ("the Company" or the "Parent Company") is a public limited Company domiciled in India and incorporated under the provisions of Companies Act, 1956 having its registered office located at RR Towers IV, Super A, 16/17, Thiru-vi-ka Industrial State, Guindy, Chennai-600032. Its equity shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

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 Company offers a diverse geographic spread with production facilities in Chennai, Noida, Dehradun, Gurugram and Bengaluru. The Company also operates with 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.

During the year, the company has incorporated a wholly owned subsidiary namely MPS Interactive Systems Limited on 10 May 2018 as a public limited company under the provisions of Companies Act, 2013 domiciled in India.

The Company had acquired TOPSIM GmbH, a company based in Germany on 2 July 2018 and MPS Europa AG, a company based in Switzerland on 5 July 2018 and eLearning business of Tata Interactive Systems (a division of Tata Industries Limited) having its branches at USA, UK, Canada and UAE through MPS Interactive Systems Limited.

The consolidated financial statements of the Company as at and for the year ended on 31 March 2019 comprise the Company and its subsidiaries (together referred to as "the Group").

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of financial statements

a) **Statement of compliance**

These consolidated Ind AS Financial Statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 ("the Act") read with companies (Indian accounting standard) rules as amended from time to time and other relevant provisions of the Act.

The consolidated financial statements of the Group for the year ended 31 March 2019 were approved for issue in accordance with the resolution of the Board of Directors on 17 May 2019.

b) Effective 1 April 2016, the Group had transitioned to Ind AS while the financial statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2017 and the transition was carried out in accordance of Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Group had elected to certain exemption which are listed as below:

- The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. As such previous GAAP balances relating to business combinations consummated before that date, including goodwill, have been carried forward. Business combination occurring prior to the transition date has not been restated.
- The Group elected to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property as recognised in the financial statements as at the date of

₹ in Lacs, except share and per share data, unless otherwise stated

transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

- The Group has elected to consider previous GAAP carrying amount of its investments in subsidiaries on the date of transition to Ind AS as its deemed cost for the purpose of determining cost in accordance with principles of Ind AS 27-"Separate financial statements".
- The group has elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

c) **Basis of consolidation:**

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above. The group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- The size of Group's holding of voting rights;
- Potential voting rights held by the Group;
- Rights arising from other contractual arrangements.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The details of the consolidated entities are as follows:

S. No.	Name	Country of incorporation	Name of Parent	Percentage of ownership
1	MPS North America LLC	USA	MPS Limited	100%
2	MAG+AB,(liquidated w.e.f 21 December 2017)	Sweden	MPS Limited	100%
3	Magplus Inc (merged w.e.f 10 August 2017 with its holding company)	USA	MPS North America LLC	100%
4	MPS Interactive Systems Limited (w.e.f 10 May 2018)	India	MPS Limited	100%
5	TOPSIM GmbH (w.e.f 2 July 2018)	Germany	MPS Limited	100%
6	MPS Europa AG (w.e.f 5 July 2018)	Switzerland	MPS Limited	100%

d) Consolidation procedure

i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

iii. Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group.

e) Basis of measurement

These consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS

- Derivative financial instruments;
- Financial instruments classified as fair value through other comprehensive income or fair value through profit or loss; and
- The net defined benefit asset/(liability) is recognized as the present value of defined benefit obligation less fair value of plan assets

f) Critical estimates and judgements

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Assessment of useful life of items of property, plant and equipment and intangible asset – refer note 2.3
- Estimated impairment of financial instrument and non-financial assets – refer note 2.5 and 2.6
- Recognition and estimation of tax expense including deferred tax– refer note 13
- Estimation of assets and obligations relating to employee benefits – refer note 28
- Fair value measurement – refer note 29
- Measurement and likelihood of occurrence of provisions and contingencies – refer note 34
- Measurement of consideration and assets acquired as part of business combination – refer note 37
- Assessment of revenue based on the progress of project using percentage of completion method, measured on the basis of effort involved which is akin to output to customer- refer note 2.9.

2.2 Current–non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current-non current classification of assets and liabilities.

2.3 Property, plant and equipment (PPE), Investment property and Intangible assets

a) Item of property, plant and equipment

Item of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. The cost of item 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 costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Item of property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

b) Investment Properties

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property consists of freehold land and building, building is depreciated using the straight line method over their estimated useful life of 60 years.

c) **Intangible assets**

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Goodwill is initially recognised based on the accounting policy for business combinations (refer note 2.4). Goodwill is not amortised but is tested for impairment annually.

d) **Depreciation and amortisation methods, estimated useful lives and residual value**

Depreciation on item of property, plant and equipment is provided on a pro-rata basis on the straight-line method based on useful life specified in Part C of Schedule II to the Companies Act.

Freehold land is not depreciated. Leasehold improvements are amortised on a straight line basis over the period of lease or their useful lives, whichever is shorter.

Intangible assets are amortised on a pro-rata basis on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of intangible assets are as follows:

- Software – 2 to 5 years
- Customer relationship- 5 years
- Trademark- 10 years
- Order Book – 3 years

Assets acquired through business combination are recorded in books at fair value as per IND AS 103. The useful life of these assets is considered based on internal technical assessment of the management which are as follows:

Category of assets	Management estimate of useful life	Useful life as per schedule II
Plant and equipment	up to 5 years	3 to 6 years
Furniture & fixture	up to 8 years	10 years
Vehicles	up to 3 years	8 years
Software	up to 5 years	5 years

The residual values, useful lives and method of depreciation/amortisation of item of property, plant and equipment, investment property and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

For overseas entities, depreciation is charged using the straight line method, over the estimated useful life considered as follows:

- Plant and equipment- 3 to 5 years
- Leasehold improvement- over the life of lease period
- Fixtures and fixtures- 10 years
- Office equipment- 3 to 10 years
- Trademark- 10 years
- Computer software- 1 to 10 years

e) Derecognition

A item of property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

2.4 Business Combination:

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed.

Transaction costs are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

2.5 Impairment of non-financial assets

The Group's non-financial assets, other than deferred tax are reviewed at each reporting date to determine whether there is any such indication. If any such indication exits, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an assets or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, then Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceeds the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

2.6 Financial instrument

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial instrument

The Group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Group uses derivative financial instruments primarily forward contract to mitigate its currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value and changes therein are recognised in Statement of profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.7 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.

2.8 Provisions and Contingent Liabilities

Provision

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities and commitments are reviewed at each balance sheet date.

2.9 Revenue recognition

The Group derives revenue primarily from content solutions, eLearning solutions, platform solutions and related services.

Effective 1 April 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 2.9 – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended 31 March 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Group is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

- Revenue related to fixed-price contracts is recognised using percentage-of-completion method ('POC method') of accounting with efforts incurred in determining the degree of completion of the performance obligation.
- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance is recognized based on time elapsed mode and revenue is straight lined over the period of performance.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is a billing in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers geography and nature of services.

Use of significant judgements in revenue recognition

- The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Group uses judgement to estimate the efforts incurred which is used to determine the degree of completion of the performance obligation.

2.10 Recognition of dividend income and interest income

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

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

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

2.11 Government Grants

Government grants that are awarded as incentives with no ongoing performance obligations are recognised when there is reasonable assurance that:

a) the Group will comply with the conditions attached to them; and

b) the grant will be received.

These are recorded at fair value where applicable. Government grants are recognised in the statement of profit and loss, either on a systematic basis when the Group recognises, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred.

Government grants related to income are presented as an offset against the related expenditure.

2.12 Employee benefits

a) **Short-term employee benefits:** All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. measured on an undiscounted basis and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

b) **Post-employment benefits:** Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

- **Gratuity:** The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity is recognised in the books of accounts based on actuarial valuation by an independent actuary. The gratuity liability for the employees of the Group is funded with an insurance company in the form of a qualifying insurance policy. The gratuity benefit obligation recognised in the balance sheet represents the present value of the obligations as reduced by fair value of assets held by the Insurance Group. Actuarial gain/losses are recognised immediately in the other comprehensive income.

- **Superannuation:** Certain employees of the Group are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Group to the plan is charged to Statement of Profit and Loss.

- **Provident fund:** For employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan. Group's contribution to the provident fund is charged to Statement of Profit and Loss.
- **Employee State Insurance:** For employees in India, Employee State Insurance (ESI) is deposited with Employee State Insurance Corporation. This is treated as defined contribution plan. Group's contribution to the ESI is charged to Statement of Profit and Loss.
- **Social security plans:** For employees outside India, Employees contributions payable to the social security plan, which is a defined contribution scheme, is charged to the statement of profit and loss in the period in which the employee renders services.

c) **Other long-term employee benefits: Compensated absences:**

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilized during the service, or encashed. Encashment can be made on early retirement, on separation, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Group's liability in respect of compensated absences is recognised in the books of account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

d) **Termination benefits:**

Termination benefits are recognised as an expense when, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

2.13 Tax Expense

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

a) **Current tax:**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously. Any adjustment to the tax payable or receivable in respect of previous year is shown separately.

b) **Deferred tax:**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investments in subsidiaries, to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

2.14 Dividend Distributions

The Group recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Group. A corresponding amount is recognised directly in equity.

2.15 Foreign currency transactions and translations

a) **Functional and presentation currency**

The consolidated financial statements are presented in Indian Rupees (₹), which is also the Parent Company's functional currency. Items included in the consolidated financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency'). All the amount have been rounded-off to the nearest lakhs, unless otherwise stated.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction or at rates that closely approximate the rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss.

c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Share capital and opening reserves and surplus are carried at historical cost.
- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using closing rates at Balance Sheet date.
- Profit and Loss items are translated at the respective monthly average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction.
- Contingent liabilities are translated at the closing rates at Balance sheet date.
- All resulting exchange differences are recognised in Other Comprehensive Income.

When a foreign operation is sold, the associated cumulative exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

The items of Consolidated Cash Flow Statement are translated at the respective average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction. The impact of changes in exchange rate on cash and cash equivalent held in foreign currency is included in effect of exchange rate changes.

2.16 Leases

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

2.17 Earnings per share

Basic earnings/ (loss) per share is 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. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

2.18 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.19 Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values used in preparing these consolidated financial statements is included in the respective notes.

2.20 New standards and interpretations not yet adopted

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after 1 April 2019.The group will apply amendment prospectively from the effective date.

Ind AS 116 'Leases': On 30 March 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind AS which replaces Ind AS 17 'Leases' and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. This new standard provides two approaches to transition:

1. **Full retrospective approach-** Under this approach, the lessee applies the new standard retrospectively to each prior period presented and recognised an adjustment in equity at the beginning of the earliest period presented in accordance with Ind AS -8.
2. **Modified retrospective approach-** Under this approach, the lessee applies the new standard from the beginning of the current period and recognised an adjustment in equity at the beginning of the current and does not restate its prior financial information.

The effective date for adoption of this standard is annual period beginning on or after 1 April 2109. The Group will adopt this standard using modified retrospective approach effective 1 April 2019 for transition to Ind AS 116 and will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

Amendment to Ind AS 19 'Employee Benefits': On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after 1 April 2019, though early application is permitted.

Amendment to Ind AS 12 'Income Taxes': On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after 1 April 2019.

The Group is evaluating the effect of the above on its consolidated financial statements.

Notes forming part of Consolidated Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

3.1 Property, plant and equipment and Capital work-in-progress

₹ in Lacs

Particulars	Freehold land (refer note 1 below)	Buildings (refer note 1 below)	Plant & equipment	Furniture & Fixtures	Vehicles	Leasehold improvements	Capital Work-in-Progress	Total
Gross carrying value								
As at 1 April 2017	400.00	901.23	1,302.93	35.91	33.63	3.21	-	2,676.91
Acquisitions through business combinations (refer note 37)	-	-	51.75	3.75	-	7.19	-	62.69
Additions	-	-	158.40	1.05	-	6.58	-	166.03
Disposals/adjustments	-	-	(81.12)	(0.44)	(33.45)	(7.19)	-	(122.20)
Foreign currency translation reserve	-	-	0.88	0.10	-	0.02	-	1.00
As at 31 March 2018	**400.00**	**901.23**	**1,432.84**	**40.37**	**0.18**	**9.81**	**-**	**2,784.43**
Acquisitions through business combinations (refer note 37)	-	-	516.89	320.83	94.29	56.31	19.47	1,007.79
Additions	-	-	212.30	60.95	-	7.65	-	280.90
Disposals/adjustments	-	-	(7.52)	(77.67)	(8.39)	-	(1.09)	(94.67)
Foreign currency translation reserve	-	-	(18.56)	(3.40)	(0.91)	1.11	-	(21.76)
As at 31 March 2019	**400.00**	**901.23**	**2,135.95**	**341.08**	**85.17**	**74.88**	**18.38**	**3,956.69**
Accumulated depreciation								
As at 1 April 2017	-	20.31	420.48	9.61	10.60	0.29	-	461.29
Depreciation charge for the year	-	20.35	413.32	11.47	1.25	10.10	-	456.49
Disposals/adjustments	-	-	(63.47)	(0.90)	(11.72)	(7.19)	-	(83.28)
Foreign currency translation reserve	-	-	(5.29)	4.64	-	1.73	-	1.08
As at 31 March 2018	**-**	**40.66**	**765.04**	**24.82**	**0.13**	**4.93**	**-**	**835.58**
Acquisitions through business combinations (refer note 37)	-	-	257.93	156.69	77.88	32.71	-	525.21
Depreciation charge for the year	-	20.34	371.51	52.24	5.26	27.33	-	476.68
Disposals/adjustments	-	-	(5.54)	(7.58)	(0.95)	-	-	(14.07)
Foreign currency translation reserve	-	-	(14.98)	(4.15)	(0.92)	(2.08)	-	(22.13)
As at 31 March 2019	**-**	**61.00**	**1,373.96**	**222.02**	**81.40**	**62.89**	**-**	**1,801.27**

Net carrying value	Freehold land (refer note 1 below)	Buildings (refer note 1 below)	Plant & equipment	Furniture & Fixtures	Vehicles	Leasehold improvements	Capital Work-in-Progress	Total
As at 31 March 2018	400.00	860.57	667.80	15.55	0.05	4.88	-	1,948.85
As at 31 March 2019	400.00	840.23	761.99	119.06	3.77	11.99	18.38	2,155.42

Net carrying value	31 March 2019	31 March 2018
Property, plant and equipment	2,137.04	1,948.85
Capital work in progress	18.38	-

1. Freehold land and Buildings include property located at Bengaluru (HMG Ambassador) at a cost of ₹400 Lacs and ₹901.23 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.

3.2 Investment property

₹ in Lacs

Particulars	Freehold land	Buildings	Total
Gross carrying value			
As at 1 April 2017	4.36	114.93	119.29
Additions	-	-	-
Disposals/adjustments	-	-	-
As at 31 March 2018	**4.36**	**114.93**	**119.29**
Additions	-	-	-
Disposals/adjustments	-	-	-
As at 31 March 2019	**4.36**	**114.93**	**119.29**
Accumulated depreciation			
As at 1 April 2017	-	2.18	2.18
Depreciation charge for the year	-	3.17	3.17
Disposals/adjustments	-	-	-
As at 31 March 2018	**-**	**5.35**	**5.35**
Depreciation charge for the year	-	3.18	3.18
Disposals/adjustments	-	-	-
As at 31 March 2019	**-**	**8.53**	**8.53**

Net carrying value	Freehold land	Buildings	Total
As at 31 March 2018	4.36	109.58	113.94
As at 31 March 2019	4.36	106.40	110.76

Amount recognised in profit or loss for Investment property	Year ended 31 March 2019	Year ended 31 March 2018
Rental income derived from investment properties	-	-
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(35.77)	(32.88)
Loss arising from investment properties before depreciation	**(35.77)**	**(32.88)**
Less: Depreciation for the year	(3.18)	(3.17)
Loss arising from investment properties	**(38.95)**	**(36.05)**

Fair value of Investment property	Freehold land and Buildings
As at 31 March 2018	2,249.74
As at 31 March 2019	3,211.88

1. Investment property comprises land and building for basement, ground floor, first floor, eighth floor and parking areas situated in Bengaluru. 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. The title deeds for land and building for remaining areas are in the name of the Company.

3.2 Investment property *(contd...)*

2. The Company has obtained an independent valuation for the fair value of its investment property as at 31 March 2019 based on the market value approach. The valuer has relied on the prevalent real estate rates and realisable price of similar property in the same vicinity. In the previous year the Company's own team had performed the fair valuation assessment for its investment property based on the rent capitalization method to estimate the value of property by taking the net operating income of the rent collected and dividing it by the capitalization rate. All resulting fair value estimates for investment property are included in Level 3.

4 Intangible assets

₹ in Lacs

Particulars	Goodwill	Other intangible assets				Total
		Trademark	Customer relationship	Computer software	Order Book	
Gross carrying value						
As at 1 April 2017	1,708.04	80.82	-	898.13	-	2,686.99
Acquisitions through business combinations (refer note 37)	50.27	28.11	196.71	228.19	-	503.28
Additions	-	-	-	55.02	-	55.02
Disposals/adjustments	-	-	-	(0.53)	-	(0.53)
Foreign currency translation reserve	35.96	2.64	-	41.60	-	80.20
As at 31 March 2018	**1,794.27**	**111.57**	**196.71**	**1,222.41**	**-**	**3,324.96**
Acquisitions through business combinations (refer note 37)	4,108.44	-	671.60	1,575.96	151.62	6,507.62
Additions	-	-	-	36.63	-	36.63
Disposals/adjustments	-	-	-	(2.61)	-	(2.61)
Foreign currency translation reserve	104.16	2.16	-	(39.52)	-	66.80
As at 31 March 2019	**6,006.87**	**113.73**	**868.31**	**2,792.87**	**151.62**	**9,933.40**
Accumulated depreciation/ amortisation						
As at 1 April 2017	-	6.06	-	154.58	-	160.64
Amortisation charge for the year	-	11.13	39.28	294.46	-	344.87
Disposals/adjustments	-	-	-	(0.37)	-	(0.37)
Foreign currency translation reserve	-	0.22	-	4.55	-	4.77
As at 31 March 2018	**-**	**17.41**	**39.28**	**453.22**	**-**	**509.91**
Acquisitions through business combinations (refer note 37)	-	-	-	793.85	-	793.85
Amortisation expense for the year	-	11.61	154.45	418.03	42.65	626.74
Disposals/adjustments	-	-	-	(2.60)	-	(2.60)
Foreign currency translation reserve	-	0.34	-	(33.48)	-	(33.14)
As at 31 March 2019	**-**	**29.36**	**193.73**	**1,629.02**	**42.65**	**1,894.76**

4 Intangible assets *(contd...)*

₹ in Lacs

Net carrying value	Goodwill	Other intangible assets				Total
		Trademark	Customer relationship	Computer software	Order Book	
As at 31 March 2018	1,794.27	94.16	157.43	769.19	-	2,815.05
As at 31 March 2019	6,006.87	84.37	674.58	1,163.85	108.97	8,038.64

Net carrying value	31 March 2019	31 March 2018
Goodwill	6,006.87	1,794.27
Other Intangible assets	2,031.77	1,020.78

4(a) Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the lowest level at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating reportable segments.

The aggregate carrying amounts of goodwill allocated to content solution and platform solutions operating segments as follows:

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Content solutions	1,209.13	1,141.61
eLearning solutions	3,878.77	-
Platform solutions	918.97	652.66
	6,006.87	**1,794.27**

For the purposes of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the recoverable amount of the above cash generating units based on its value in use. The value in use of these units was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carry amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

i. The anticipated annual revenue growth and margin included in the cash flow projections are based on past experience, actual operating results and the 5-year business plan in all periods presented.

ii. The terminal growth rate 1% to 4% for the year ended 31 March 2019 (31 March 2018: 1%) representing management view on the future long-term growth rate.

iii. Discount rate ranging from 11% to 18% for the year ended 31 March 2019 (31 March 2018: ranging from 9% to 16.29%) was applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on past experience and historical industry average weighted-average cost of capital.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

Notes forming part of Consolidated Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

5 Loans

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Non Current (unsecured, considered good)		
Security deposits (refer note below)	243.67	154.16
	243.67	**154.16**
Note: Includes ₹65.55 Lacs (31 March 2018: ₹60.99 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.		
(ii) Current (unsecured, considered good)		
Security deposits	29.47	13.68
Loan to employees	0.40	4.14
	29.87	**17.82**

6 Other financial assets

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Non Current (unsecured, considered good)		
Bank deposits held as margin money or security against guarantees	26.54	26.14
	26.54	**26.14**
(ii) Current (unsecured, considered good)		
Unrealised MTM gain receivable on forward covers	102.38	-
Unbilled revenue	85.63	2,434.69
Interest accrued on deposits	62.33	0.47
Government grant receivables*	79.10	-
Other receivables	111.99	-
	441.43	**2,435.16**

*represents grant receivable under Service Export from India Scheme

7 Income taxes

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Non Current		
Advance income tax (net of provisions of ₹11,037.59 Lacs (31 March 2018: ₹7,922.80 Lacs))	970.07	636.64
	970.07	**636.64**
(ii) Current		
Advance income tax (net of provisions of ₹132.65 Lacs)	41.95	-
	41.95	**-**

8 Other assets

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Other non-current assets (Unsecured, Considered Good)		
Security deposits	24.52	24.52
Prepaid expenses	39.69	40.39
Advances to employees	4.04	-
Balances with government authorities		
-Service tax credit receivable	234.07	175.89
-Others	55.39	90.39
Excess of plan asset over gratuity liability (refer note 28)	57.02	-
Prepayment rent (refer note below)	47.66	39.10
	462.39	**370.29**
Note: Includes ₹26.22 Lacs (31 March 2018: ₹29.38 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.		
(ii) Other current assets (Unsecured, Considered Good)		
Security deposits		
Unsecured, considered good	0.89	-
Doubtful	1.13	1.13
	2.02	1.13
Less: Allowances for doubtful deposits	1.13	1.13
	0.89	-
Advances to employees		
Considered good	30.88	-
Doubtful	23.77	27.22
	54.65	27.22
Less: Allowances for doubtful advances to employees	23.77	27.22
	30.88	-
Government grant receivables*	487.83	
Advance to Suppliers	0.25	-
Prepaid expenses	540.87	375.63
Contract assets	3,040.90	-
Balances with government authorities		
-GST receivable	1,020.79	434.61
-Others	174.07	35.50
Others advances	78.53	39.36
Prepayment rent (refer note 1 below)	15.18	9.88
	5,390.19	**894.98**

Note:

1) Includes ₹5.26 Lacs (31 March 2018: ₹7.34 Lacs) to holding company (ADI BPO Services Ltd.) as a deposit for premises and infrastructure facility taken on rent.

*represents grant receivable under Service Export from India Scheme

Notes forming part of Consolidated Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

9 Current investments

Particulars	As at 31 March 2019		As at 31 March 2018	
	Units in '000	₹ in Lacs	Units in '000	₹ in Lacs
Investment in mutual funds carried at fair value through profit or loss (unquoted, fully paid up)				
Kotak Liquid-Direct Plan-Daily Dividend*	16.87	206.36	30.50	373.00
Reliance Liquid Fund-Treasury Plan-Direct Plan-Growth	-	-	18.85	799.07
Kotak Money Market Scheme-Direct Plan-Growth (Erstwhile Kotak Floater Short Term-Direct Plan-Growth)	6.83	210.80	12.35	352.29
DHFL Pramerica Insta Cash Plus Fund-Direct Plan-Growth	-	-	179.27	404.78
Tata Liquid Fund Direct Plan-Growth (previously known as TATA Money Market Fund)	-	-	68.55	1,877.10
DSP Blackrock Liquidity Fund-Direct Plan-Growth	-	-	50.83	1,263.39
Axis Liquid Fund-Direct Plan-Growth	42.14	873.82	93.53	1,802.83
Aditya BSL Money Manager Fund-Direct Growth (Erstwhile ABSL Floating Rate Fund Short Term Plan-Direct-Growth)	169.22	425.92	1,112.92	2,581.82
Aditya Birla Sun Life Savings Fund-Direct Plan-Growth	0.17	0.64	75.28	258.89
ICICI Prudential Savings Fund-Direct Plan Growth (Earlier ICICI Prudential Flexible Income-Direct Plan- Growth)	-	-	121.43	406.88
Aditya Birla Sun Life Savings Fund-Growth	639.54	2,360.79	639.54	2,186.64
Reliance Liquid Fund-Growth Plan-Growth Option (Earlier Relaince Liquid Fund-Treasury Plan-Growth)	-	-	70.98	2,996.83
ICICI Prudential Savings Fund-Growth (Erstwhile ICICI Prudential Flexible Income-Growth)	547.14	1,962.76	654.37	2,181.12
Axis Liquid Fund-Growth	121.00	2,498.79	121.00	2,324.11
Kotak Liquid-Regular Plan-Growth	-	-	16.96	595.85
Aditya Birla Sun Life Cash Plus -Direct Plan-Growth	-	-	490.60	1,370.32
HDFC Credit Risk Debt Fund-Direct Plan-Growth (Erstwhile HDFC Regular Savings Fund-Direct Plan-Growth)	8,769.51	1,395.98	3,699.98	1,303.87
ICICI Prudential Credit Risk Fund-Direct Plan-Growth (Erstwhile ICICI Prudential Regular Savings Fund-Direct Plan-Growth)	6,704.80	1,410.08	6,704.80	1,305.71
UTI Credit Risk Fund-Direct Growth Plan (Erstwhile UTI-Income Opportunities Fund-Direct Plan-Growth)	8,322.24	1,498.85	8,322.24	1,405.13
Franklin India Credit Risk Fund-Direct Plan-Growth (Erstwhile Franklin India Corporate Bond Oppurtunities Fund -Direct Plan-Growth)	7,987.73	1,645.12	7,987.73	1,505.14
Franklin India Short Term Income Plan-Retail Plan-Direct Growth	39.36	1,651.60	39.36	1,504.95
ICICI Prudential Liquid Fund-Direct Plan Growth	227.98	630.19	-	-
HDFC Overnight Fund-Direct Plan-Growth Option	51.71	1,459.39	-	-
ICICI Prudential Liquid Fund-Direct Plan-Growth	538.00	1,487.12	-	-
Kotak Liquid Direct Plan Growth	39.29	1,486.72	-	-
Total	**34,223.53**	**21,204.93**	**30,511.07**	**28,799.72**
Aggregate market value of unquoted investments		**21,204.93**		**28,799.72**

*Out of the same mutual fund units i.e., 16.36 (units in thousands) with an NAV of ₹0.012 Lacs as at 31 March 2019 (31 March 2018: Units 16.36 (units in thousands) as at NAV of ₹0.012 Lacs) have been pledged with Kotak Mahindra Bank Limited as a security towards hedging facilities availed by the Company.

10 Trade receivables

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Trade receivables	6,871.11	4,614.54
	6,871.11	**4,614.54**
Break-up for details:		
Trade receivables (Unsecured)		
Considered good	6,935.67	4,683.18
Less: Expected credit loss allowance (refer note 30)	64.56	68.64
	6,871.11	**4,614.54**
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables-credit impaired	-	-
Total	**6,871.11**	**4,614.54**

11 (i) Cash and cash equivalents

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks		
-In Current accounts	3,959.34	2,131.48
-In EEFC accounts	763.02	107.53
-In demand deposit accounts (demand deposits and deposits having original maturity of 3 months and less)	30.00	60.00
Cash on hand	0.09	-
Total	**4,752.45**	**2,299.01**

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019

11 (ii) Other Balances with banks

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Term deposits with orinigal maturity for more than 3 months but less than 12 months	2,915.51	-
Total	**2,915.51**	**-**
Details of bank balances/deposits		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	30.00	60.00
Bank deposits due to mature within 12 months of the reporting date included under 'Other Balances with banks'	2,915.51	-
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current financial assets' (refer note 6 (i))	26.54	26.14
	2,972.05	**86.14**

Notes forming part of Consolidated Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

12 Share capital

₹ in Lacs

(i) Particulars	As at 31 March 2019	As at 31 March 2018
Authorised		
2,00,00,000 equity shares of ₹10 each (31 March 2018: 2,00,00,000 equity shares of ₹10 each)	2,000.00	2,000.00
	2,000.00	**2,000.00**
Issued, Subscribed & Paid-Up		
1,86,16,926 equity shares of ₹10 each fully paid up with voting rights (31 March 2018: 1,86,16,926 equity shares of ₹10 each)	1,861.69	1,861.69
	1,861.69	**1,861.69**

(ii) Reconciliation of the equity share outstanding at beginning and at end of the year

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	₹ in Lacs	Number	₹ in Lacs
Equity shares (with voting rights) outstanding at the beginning of the year	1,86,16,926	1,861.69	1,86,16,926	1,861.69
Issued during the year	-	-	-	-
Outstanding at the end of the year	**1,86,16,926**	**1,861.69**	**1,86,16,926**	**1,861.69**

The Company had raised ₹14,780 Lacs from Qualified Institutional Placement ('QIP') (net of issue expenses) during the year ended 31 March 2015. Out of the said proceeds, the Company had utilized a sum of ₹2,784 Lacs for acquisitions of companies and group of assets till 31 March 2018. During the financial year 2018-19, the balance net proceeds of ₹11,996 Lacs has been fully utilized for the objectives of the QIP.

(iii) 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.

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	₹ in Lacs	Number	₹ in Lacs
Equity shares of ₹10 each fully paid up and held by				
ADI BPO Services Limited, the holding company	1,26,16,996	1,261.70	1,26,16,996	1,261.70

12 Share capital *(contd...)*

(v) Details of the shareholders holding more than 5% shares of the Company

Class of shares / Name of shareholder	As at 31 March 2019		As at 31 March 2018	
	Number	% holding in that class of shares	Number	% holding in that class of shares
Equity shares of ₹10 each fully paid up and held by				
ADI BPO Services Limited, the holding company	1,26,16,996	67.77%	1,26,16,996	67.77%

(vi) 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.

13 Deferred tax

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of asset and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant component of the Company's net deferred income tax are as follows:

Deferred tax assets:

₹ in Lacs

	Expected credit loss allowance	Expenses allowable for tax purposes when paid	Unrealised MTM loss receivables on forward covers	Tax loss carry forward	Others	Total
As at 1 April 2017	29.20	9.92	-	-	31.11	70.23
(Charged)/credited						
- to statement of profit and Loss	(10.06)	(27.76)	-	-	(3.28)	(41.10)
- to other comprehensive income	-	25.76	-	-	-	25.76
- to foreign currency translation reserve	(0.17)	-	-	-	(0.30)	(0.47)
- transferred from deferred tax liabilities	-	-	10.15	-	-	10.15
As at 31 March 2018	**18.97**	**7.92**	**10.15**	**-**	**27.53**	**64.57**
(Charged)/credited						
- addition due to business combination	-	-	-	116.11	58.92	175.03
- to statement of profit and Loss	(3.55)	-	(39.96)	399.57	22.17	378.23
- to other comprehensive income	-	-	-	-	-	-
- to foreign currency translation reserve	0.57	-	-	-	1.65	2.22
- transferred to deferred tax liabilities	-	(7.92)	29.81	-	-	21.89
As at 31 March 2019	**15.99**	**-**	**-**	**515.68**	**110.27**	**641.94**

Notes forming part of Consolidated Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

13 Deferred tax *(contd...)*

Deferred tax liabilities:

₹ in Lacs

	Expenses allowable for tax purposes when paid	Difference between book balance and tax balance of property, plant and equipment/ Investment property/ Other intangible assets	Unrealised MTM gain receivables on forward covers	Gains on investment carried at fair value through profit or loss	Total
As at 1 April 2017	(34.14)	(498.51)	(69.27)	(0.58)	(602.50)
(Charged)/credited					
- to statement of profit and Loss	24.20	228.85	79.42	(268.90)	63.57
- to other comprehensive income	-	-	-	-	-
- to foreign currency translation reserve	0.25	(5.49)	-	-	(5.24)
- transferred to deferred tax assets	-	-	(10.15)	-	(10.15)
As at 31 March 2018	**(9.69)**	**(275.15)**	**-**	**(269.48)**	**(554.32)**
(Charged)/credited					
- addition due to business combination	-	(192.11)	-	-	(192.11)
- to statement of profit and Loss	27.35	(301.94)	-	(147.90)	(422.49)
- to other comprehensive income	(28.01)	-	-	-	(28.01)
- to foreign currency translation reserve	(0.44)	(4.84)	-	-	(5.28)
- transferred from deferred tax assets	7.92	-	(29.81)	-	(21.89)
As at 31 March 2019	**(2.87)**	**(774.04)**	**(29.81)**	**(417.38)**	**(1,224.10)**

Net deferred tax liabilities:

₹ in Lacs

	As at 31 March 2019	As at 31 March 2018
Deferred tax assets	641.94	64.57
Deferred tax liabilities	(1,224.10)	(554.32)
Deferred tax liabilities (net)	**(582.16)**	**(489.75)**

Reflected in the Balance Sheet as follows:

₹ in Lacs

	As at 31 March 2019	As at 31 March 2018
Deferred tax assets	86.53	-
Deferred tax liabilities	(668.69)	(489.75)
Deferred tax liabilities (net)	**(582.16)**	**(489.75)**

Reconciliation of deferred tax liabilities (net):

₹ in Lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Balance as at the commencement of the year	(489.75)	(532.27)
Addition due to business combination (refer note 37)	(17.08)	-
Expense/(credit) during the year recognised in Statement of profit and loss	44.26	(22.47)
Expense/(credit) during the year recognised in OCI	28.01	(25.76)
Foreign currency translation reserve	3.06	5.71
Balance as at the end of the year	**(582.16)**	**(489.75)**

DTA has not been recognized on temporary differences in relation to indexation benefit of freehold land amounting to ₹727.85 Lacs (31 March 2018: ₹694.81 Lacs) respectively, as the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in foreseeable future.

14 Trade payables

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Trade payables		
Due to Micro and Small Enterprises (refer note 27)	26.52	14.81
Due to Others	1,303.71	1,092.40
Trade payables to related parties (refer note 33)	1.27	1.88
	1,331.50	**1,109.09**

15 Other financial liabilities (Current)

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Book overdraft	-	53.89
Employee payable	707.73	405.10
Unrealised MTM loss payable on forward covers	-	34.84
	707.73	**493.83**

16 Other current liabilities

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Income received in advance (Contract liabilities)	2,760.86	419.16
Statutory remittances*	543.38	253.45
Others	162.91	3.43
	3,467.15	**676.04**

*includes GST, Tax deducted at Source, Provident Fund, Employee State Insurance and Sales Tax, etc.

17 Provisions

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Non Current		
Provision for compensated absences (refer note 28)	47.02	-
	47.02	**-**
(ii) Current		
Provision for service tax (refer note 39)	159.10	154.28
Provision for compensated absences (refer note 28)	17.20	4.83
Provision for gratuity (refer note 28)	91.90	130.80
	268.20	**289.91**

18 Income tax liabilities (Current)

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for tax (net of advance tax of ₹2,835.04 Lacs (31 March 2018: ₹3,037.33 Lacs))	135.63	200.13
	135.63	**200.13**

19 Revenue from operations

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of services (refer note 43)		
Exports (earning in foreign currency)	34,323.31	26,686.92
Domestic	1,930.33	16.45
	36,253.64	**26,703.37**

20 Other income

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest income on:		
Financial assets-carried at amortised cost	13.75	-
Deposits with banks	73.49	2.93
Dividend received on current investment carried at fair value through profit or loss (Mutual funds units)	13.28	135.72
Net gain on sale of current investment carried at fair value through profit or loss	159.09	494.01
Gain on investment carried at fair value through profit or loss	1,441.83	923.75
MTM and net gain on foreign currency transactions	-	256.18
Government Grants*	566.93	-
Other non-operating income (Refer note (i) below)	257.69	485.27
	2,526.06	**2,297.86**

*represents grant under Service Export from India Scheme

Note (i) Other non-operating income comprises:

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Liabilities no longer required written back	198.32	431.80
Reversal of allowances for expected credit loss	21.94	29.35
Bad debts and advances recovered	10.98	0.02
Gain on sale/disposal/discard of property, plant and equipment (net)	-	11.96
Miscellaneous income	26.45	12.14
	257.69	**485.27**

21 Employee benefits expense

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and wages (refer note 28)	15,154.19	10,143.82
Contribution to provident and other funds (refer note 28)	829.60	666.83
Staff welfare expenses	462.12	337.98
	16,445.91	**11,148.63**

22 Finance costs

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense on income tax, service tax & GST	19.05	12.66
	19.05	**12.66**

23 Depreciation and amortization expense

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation on property, plant and equipment (refer note 3.1)	476.68	456.49
Depreciation on investment property (refer note 3.2)	3.18	3.17
Amortization on intangible assets (refer note 4)	626.74	344.87
	1,106.60	**804.53**

24 Other expenses

₹ in Lacs

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
Consumables		15.77		18.40
Outsourcing cost		4,784.97		2,767.99
Power and fuel		526.47		496.14
Rent (refer note 35(b))		869.33		562.32
Hire charges		11.13		12.99
Repairs and maintenance - buildings		412.92		295.76
Repairs and maintenance - plant and machinery		286.89		164.71
Repairs and maintenance - others		92.21		4.80
Insurance		61.26		31.73
Rates and taxes		132.30		73.24
Communication		549.44		466.59
Travelling and conveyance		780.67		468.92
Expenditure on corporate social responsibility (refer note 36)		196.36		191.79
Legal and professional		421.53		335.40
Directors sitting fees		38.60		19.80
Commission to non-executive directors		46.40		60.20
Payments to auditors (refer note (i) below)		57.74		44.44
Bad debts written off	100.91		208.52	
Less: Allowances for expected credit loss utilised for the above	16.28	84.63	114.61	93.91
MTM and net loss on foreign currency transactions		24.28		44.66
Advances written off		-		28.27
Allowances for expected credit loss and doubtful advances		5.99		123.20
Loss on sale/disposal/discard of property, plant and equipment (net)		17.37		-
Software expenses		259.77		103.52
Sales and marketing expenses		332.65		73.27
Miscellaneous expenses		464.29		367.33
		10,472.97		**6,849.38**

₹ in Lacs

(i) Payments to the auditors comprises (net of input credit, where applicable):	Year ended 31 March 2019	Year ended 31 March 2018
To Statutory auditors		
for statutory audit	35.50	25.09
for tax audit	3.50	2.00
for other services	15.51	13.00
for reimbursement of expenses	3.23	4.35
	57.74	**44.44**

Notes forming part of Consolidated Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

25 Income tax

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

₹ in Lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Current income tax:		
Current income tax charge for the year	3,051.55	3,194.72
Adjustments in respect of current income tax of previous year	35.83	(7.16)
	3,087.38	**3,187.56**
Deferred tax:		
Deferred tax on profits for the year	44.26	(22.47)
Adjustments in respect of deferred tax of previous years	-	-
	44.26	**(22.47)**
Income tax expense reported in the Statement of Profit and Loss	**3,131.64**	**3,165.09**
OCI section		
Tax related to items that will not be reclassified to Profit and Loss	(28.01)	25.76
Income tax charged to OCI	**(28.01)**	**25.76**

Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2019 and 31 March 2018:

₹ in Lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Accounting profit before income tax	10,735.17	10,186.03
At India's statutory income tax rate	29.120%	34.608%
Computed Tax Expense	**3,126.08**	**3,525.18**
Change in tax rate	(56.06)	(127.27)
Tax exempt income	(3.87)	(182.64)
Non-deductible expenses	112.69	40.42
Others	(83.03)	(83.44)
Tax relating to earlier years	35.83	(7.16)
Income tax charged to Statement of Profit and Loss at effective rate of 29.17 % (31 March 2018: 31.07 %) (refer note below)	**3,131.64**	**3,165.09**

(a) Effective tax rate has been calculated on profit before tax.

(b) In India, Income tax rates has reduced from 30% to 25% effective 1 April 2018 for the domestic companies having turnover or gross receipts does not exceed ₹25,000 Lacs. Consequential deferred tax income of ₹77.08 Lacs has been appropriately adjusted in the tax expense for the year ended 31 March 2018.

(c) The US tax reforms has reduced federal tax rates from 34% to 21% effective 1 January 2018 amongst other measures. Consequential deferred tax income of ₹50.19 Lacs has been appropriately adjusted in the tax expense for the year ended 31 March 2018.

26 Earnings per equity share

₹ in Lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Profit for the year attributable to the owners of the Group	7,603.53	7,020.94
Weighted average number of equity shares outstanding	1,86,16,926	1,86,16,926
Face value per share (₹)	10	10
Earnings Per Share- Basic & Diluted (₹)	**40.83**	**37.71**

₹ in Lacs, except share and per share data, unless otherwise stated

27 Micro, small and medium enterprises

There are no Micro, Small and Medium Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at the end of year except for the amount of ₹4.61 Lacs against which interest has been accrued (refer below(ii)). The information as required to be disclosed in relation to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(i) The principal amount remaining unpaid to any supplier as at the end of the year	26.52	14.81
(ii) The interest due on principal amount remaining unpaid to any supplier as at the end of the year	0.31	-
(iii) The amount of interest paid by the Group in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

28 Employee benefits in respect of the Company have been calculated as under:

(A) Defined Contribution Plans

The Group has certain defined contribution plan such as provident fund, 401(k) plan, superannuation fund and employee state insurance (ESI), scheme for qualifying employees, etc. Under the schemes, the Group is required specified percentage of payroll costs to fund the benefits. During the year, the Group has contributed following amounts to:

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Employer's contribution to provident fund	484.60	397.63
Employer's contribution to 401(k) plan	38.46	162.74
Employer's contribution to superannuation fund	37.26	-
Employer's contribution to canada pension plan	3.93	-
Employer's contribution to employee state insurance	97.94	106.46
Employer's contribution to labour welfare fund	0.02	-
Employer's contribution to social security fund and pension scheme	167.39	-
	829.60	**666.83**

28 Employee benefits in respect of the Company have been calculated as under: *(contd...)*

(B) Defined Benefit Plans

Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed for the Company is 7.22% p.a. (31 March 2018: 7.65% p.a.) and for subsidiariy is 7.07% p.a (31 March 2018: Nil) which is determined by reference to market yield at the Balance Sheet date on Government bonds.

The retirement age has been considered at 58 to 65 years (31 March 2018: 58 to 65 years) and mortality table is as per IALM (2006-08) (31 March 2018: IALM (2006-08)).

The estimates of future salary increases, considered in actuarial valuation is 6% p.a. (31 March 2018: 6% p.a.), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for employees of the Group. The expected rate of return on plan assets for the Company is 7.22% p.a. (31 March 2018: 7.65% p.a.) and for subsidiary is 7.07% p.a (31 March 2018: Nil)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of obligation at the beginning of the year	623.63	589.63
Current service cost	118.96	71.80
Interest cost	113.48	44.28
Liability transferred on acquisition	1,004.18	-
Actuarial (gain)/ loss	(125.17)	79.05
Benefits paid	(418.18)	(161.13)
Present value of obligation at the end of the year	**1,316.90**	**623.63**

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of obligation at the end of the year	1,316.90	623.63
Fair value of plan assets at the end of the year	(1,282.01)	(492.83)
Net liabilities recognised in the Balance Sheet (refer note below)	**34.89**	**130.80**

Note: Reflected in the Balance Sheet as follows:

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Excess of plan asset over gratuity liability (refer note 8 (i))	(57.02)	-
Provision for gratuity (refer note 17(ii))	91.90	130.80
Net liabilities	**34.89**	**130.80**

Fair Value of Plan Assets

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Plan assets at the beginning of the year	492.83	517.35
Expected return on plan assets	103.55	38.85
Contribution by employer	134.93	107.16
Assets transferred in on acquisition	1,005.17	-
Actual benefits paid	(418.18)	(161.13)
Actuarial gain/ (loss)	(36.29)	(9.40)
Plan assets at the end of the year	**1,282.01**	**492.83**

Group's best estimate of contribution during next year is ₹167.48 Lacs Lacs (31 March 2017: ₹203.36 Lacs)

28 Employee benefits in respect of the Company have been calculated as under: *(contd...)*

Composition of the plan assets is as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Central Government Securities	18.75%	20.82%
State Government Securities	49.70%	45.36%
Debentures and Bonds	22.71%	27.50%
Equity Shares	3.92%	2.01%
Fixed Deposits	-	3.65%
Money Market Instruments	4.92%	0.66%

The above composition of plan assets are based on details received for 31 March 2018. Details for 31 March 2019 are awaited from LIC.

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	118.96	71.80
Interest cost	9.93	5.43
Expense recognised in the Statement of Profit and Loss	**128.89**	**77.23**

Amount recognised in the other comprehensive income:

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Actuarial loss/(gain) due to demographic assumption change	2.45	53.83
Actuarial loss/(gain) due to financial assumption change	(20.95)	(5.20)
Actuarial loss/(gain) due to experience adjustment	(106.67)	30.42
Actuarial (gain)/loss on plan assets	36.29	9.40
Amount recognised in the Other Comprehensive Income	**(88.88)**	**88.45**

Sensitivity analysis

₹ in Lacs

Particulars	Year ended 31 March 2019		Year ended 31 March 2019	
Assumptions	Discount rate		Future salary increase	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(33.34)	35.16	35.41	(33.52)

₹ in Lacs

Particulars	Year ended 31 March 2018		Year ended 31 March 2018	
Assumptions	Discount rate		Future salary increase	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit	(17.89)	18.96	19.17	(18.25)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant.

(C) Other long term benefits (compensated absences):

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of obligation at the end of the year	64.22	4.83

29 Fair value measurements

₹ in Lacs

Particulars	Note	Level of hierarchy	As at 31 March 2019			As at 31 March 2018		
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets								
Investments in mutual fund	(d)	1	21,204.93	-	-	28,799.72	-	-
Trade receivables	(a)		-	-	6,871.11	-	-	4,614.54
Loans	(a, b)		-	-	273.54	-	-	171.98
Cash and cash equivalents	(a)		-	-	4,752.45	-	-	2,299.01
Other bank balances	(a)		-	-	2,915.51	-	-	-
Derivative financial assets	(c)	2	102.38	-	-	-	-	-
Other financial assets	(a, b)		-	-	365.59	-	-	2,461.30
Total financial assets			**21,307.31**	**-**	**15,178.20**	**28,799.72**	**-**	**9,546.83**
Financial liabilities								
Trade payables	(a)		-	-	1,331.50	-	-	1,109.09
Derivative financial liabilities	(c)	2	-	-	-	34.84	-	-
Other financial liabilities	(a)		-	-	707.73	-	-	458.99
Total financial liabilities			**-**	**-**	**2,039.23**	**34.84**	**-**	**1,568.08**

Note:

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturity of these instruments.

(b) Fair value of non-current financial assets has not been disclosed as there is no significant differences between carrying value and fair value.

(c) Derivatives are carried at fair value at each reporting date. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

(d) The fair value of the mutual funds are based on net assets value of the funds as at reporting date.

* Refer note 2.19 for Level of hierarchy

30 Financial risk management

Risk management framework

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

i **Market risk**

Market risk includes foreign exchange risk, pricing risk and interest risk that may affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which revenue and expense are denominated and the functional currency of the Group. The currencies in which the Group is exposed to risk are USD, EUR, GBP and Others. The Group takes adequate foreign exchange forward covers as per the guidelines approved by the Board to mitigate currency risk.

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₹ in Lacs, except share and per share data, unless otherwise stated

30 Financial risk management *(contd...)*

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

₹ in Lacs

Particulars	As at 31 March 2019				As at 31 March 2018			
	USD	EUR	GBP	Others	USD	EUR	GBP	Others
Cash and cash equivalents	813.47	38.96	129.66	50.65	158.48	0.51	19.63	-
Trade receivables	3,603.09	110.84	395.43	241.85	2,417.18	93.43	1,111.26	23.99
Trade payables	(240.02)	(13.22)	(11.79)	(52.17)	(150.96)	(21.55)	(0.18)	-
Other financial liabilities	(102.70)	-	-	-	(59.34)	-	-	-
Net statement of financial position exposure	**4,073.84**	**136.58**	**513.30**	**240.33**	**2,365.36**	**72.39**	**1,130.71**	**23.99**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, EUR and GBP against INR at 31 March would have affected the measurement of financial exposure denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact on forecast revenue and expenses.

₹ in Lacs

	Profit or Loss (before tax)			
	Year ended 31 March 2019		Year ended 31 March 2018	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	40.74	(40.74)	23.65	(23.65)
EUR (1% movement)	1.37	(1.37)	0.72	(0.72)
GBP (1% movement)	5.13	(5.13)	11.31	(11.31)
Others (1% movement)	2.40	(2.40)	0.24	(0.24)

Forward covers

The Group takes adequate foreign exchange forward covers to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is bank. These forward covers are value based on quoted prices for similar assets and liabilities in active markets or input that are directly or indirectly observable in the marketplace.

The details in respect of outstanding foreign currency forward contract are as follows:

Forward exchange contract	Buy/Sell	Year ended 31 March 2019		Year ended 31 March 2018	
		FC in Lacs	₹ in Lacs	FC in Lacs	₹ in Lacs
USD	Sell	40.00	2,875.28	72.00	4,748.55
GBP	Sell	9.00	838.98	21.00	1,933.13

Pricing risk:

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

Interest rate risk

The Group is not exposed to interest rate risk.

30 Financial risk management *(contd...)*

ii Credit risk

Trade receivables and other financial assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and if a customer fails to meet its contractual obligations. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Details of concentration of revenue are as follows:

₹ in Lacs

Particulars	Yaer ended 31 March 2019	Year ended 31 March 2018
Revenue from top 2 customers (Previous year 4 customers) (more than 10% revenue individually)	8,673.47	13,406.60
Revenue from top 15 customers	24,021.41	21,326.43

Expanding the customer base is mitigating this risk. Within the current customers, the Group is looking to deepen the partnership by supporting publishers in new areas of outsourcing.

Expected credit loss for trade receivables:

The Group based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss.

Movement in the expected credit loss allowance of trade receivables are as follows:

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	68.64	90.06
Add: Addition due to business combination	26.10	-
Add: Provided during the year (net of reversal)	(15.95)	91.78
Less: Amount written off	(16.28)	(114.61)
Less: Impact of foreign currency translation	2.05	1.41
Balance at the end of the year	**64.56**	**68.64**

Expected credit loss on financial assets other than trade receivables:

With regard to other financial assets with contractual cash flows other than trade receivables, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no material provision for excepted credit loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet.

Investments

The Group limits its exposure to credit risk by investing in liquid securities and short term bonds and only with counterparties that have a good credit rating. The Group invests as per the guidelines approved by the Board to mitigate this risk.

iii Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

30 Financial risk management *(contd...)*

The Group's treasury department is responsible for managing the short term and long term liquidity requirements. Liquidity situation is reviewed regularly by the management.

Exposure to liquidity risk

The following are the details of contractual maturities of financial liabilities at the reporting date: ₹ in Lacs

	Contractual Cash flows					
	As at 31 March 2019			As at 31 March 2018		
	Carrying Amount	Within 1 year	More than 1 Year	Carrying Amount	Within 1 year	More than 1 Year
Non-derivative financial liabilities						
Trade payables	1,331.50	1,331.50	-	1,109.09	1,109.09	-
Other financial liabilities	707.73	707.73	-	458.99	458.99	-
Derivative financial liabilities						
Other financial liabilities (forward covers)	-	-	-	34.84	34.84	-

31 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure is as follows: ₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
Total equity attributable to the equity share holders of the Group	1,861.69	1,861.69
As percentage of total capital	100%	100%

The Group is equity financed which is evident from the capital structure. Further, the Group has always been a net cash group with cash and bank balances along with investment which is predominantly investment in in fixed deposits with bank, liquid and short term mutual funds.

32 Segment information

Operating Segments

The CEO and Whole Time Director of the Group has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of each segment and to make decision about allocation of resources. Accordingly, the Group has determined reportable segment by nature of its product and service, accordingly following are the reportable segments:

(a) **Content solutions:** Content solutions mean creating and developing content for print and digital delivery. It includes content authoring/development, content production, content transformation, fulfillment and customer support services.

(b) **eLearning solutions:** offering custom technology-enabled learning services which included Web-based tutorials, Simulation- and Game-based learning, Augmented and Virtual Reality, Learning Nuggets and Motion Graphics, Learning Consulting to corporates, government agencies, universities etc.

(c) **Platform solutions:** Platform solutions means developing and implanting various software and technology services programs.

The Group has aggregated its operating segment into Content, eLearning and Platform operating reportable segment, which is consistent with aggregation criteria defined under Ind AS 108 i.e. similar economic characteristics,

Notes forming part of Consolidated Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

32 Segment information *(contd...)*

similar nature of the production process, similar type or class of customer for their products and services and similar method used to distribute their product or provide their services.

Accordingly, operating segment i.e. books, journals, customer fulfillment and others are aggregated into content operating segment and technology and software related services aggregated into platform operating segment.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

(i) Revenue and expenses which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses'. Details are as follows:

₹ in Lacs

Particulars	Yaer ended 31 March 2019	Year ended 31 March 2018
Segment revenue		
Content solutions	23,283.33	21,976.96
eLearning solutions	6,995.53	-
Platform solutions	5,974.78	4,726.41
Total revenue from operations	**36,253.64**	**26,703.37**
Segment results		
Content solutions	8,625.86	8,142.14
eLearning solutions	(275.50)	-
Platform solutions	2,259.55	1,584.97
Total	**10,609.91**	**9,727.11**
Add: Interest income	87.24	2.93
Less: Finance cost	19.05	12.66
Less: Un-allocable expenditure (net of un-allocable income)	(57.07)	(468.65)
Profit before tax	**10,735.17**	**10,186.03**
Tax expense	3,131.64	3,165.09
Profit for the year	**7,603.53**	**7,020.94**

(ii) Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments and the management believes that it is not practicable to provide segment disclosures relating to total assets and liabilities.

(d) Geographical informations:

The geographical information analysis the Group's revenue and non-current assets by the holding Company's country of domicile (i.e. India) and other countries. In presenting the geographical information segment revenue has been based on the geographical location of customers and segment assets which have been based on the geographical location of the assets.

32 Segment information *(contd...)*

(i) **Revenue by geographical markets**

₹ in Lacs

Particulars	Yaer ended 31 March 2019	Year ended 31 March 2018
India (country of domicile)	1,930.33	16.45
Europe	13,758.47	10,661.93
USA	18,521.77	15,212.19
Rest of the World	2,043.07	812.80
Total	**36,253.64**	**26,703.37**

(ii) Non-current assets (by geographical location of assets)*

₹ in Lacs

Particulars	Yaer ended 31 March 2019	Year ended 31 March 2018
India (country of domicile)	8,948.97	3,873.53
Europe	2,210.42	-
USA	576.92	2,191.54
Rest of the World	0.97	-
Total	**11,737.28**	**6,065.07**

*Current year non-current assets are excluding of financial instruments and deferred tax assets.

33 Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (specified under section 133 of the Companies Act, 2013) are disclosed below:-

A Names of related parties and description of relationship:

S.No.	Description of relationship	Names of related parties
1	Holding Company	ADI BPO Services Limited
2	Company Under Common Control	ADI Media Private Limited
3	Key management personnel (KMP)	Mr. Nishith Arora, Non-Executive Chairman w.e.f 15 May 2017 (Executive Chairman and Whole time Director till 14 May 2017)
		Mr. Rahul Arora, Managing Director w.e.f 12 August 2018 (Chief Executive Officer and Whole Time Director till 11 August 2018)
		Ms. Yamini Tandon, Non- Executive Director
		Mr. D E Udwadia, Non-Executive Director (till 29 March 2019)
		Mr. Ashish Dalal, Non-Executive Director (till 9 March 2018)
		Mr. Vijay Sood, Non-Executive Director
		Mr. Ambarish Raghuvanshi, Non-Executive Director w.e.f 01 May 2018
		Mr. Sunil Shah, Non-Executive Director (Additional Director) w.e.f 11 December 2018
		Mr. Sunit Malhotra, CFO & Company Secretary (Company Secretary w.e.f 23 October 2017) and Director of holding company till 15 January 2018
		Mr. Hitesh Jain, Company Secretary till 12 September 2017
		Ms. Gagan Sahni Tyagi, Director of holding company
		Ms. Pooja Singh (Director of holding company w.e.f 15 January 2018)
4	Firm in which KMP is a partner	M/s Udwadia & Co.

₹ in Lacs, except share and per share data, unless otherwise stated

33 Related party transactions *(contd...)*

B Transactions during the year

₹ in Lacs

S. No.	Description of transactions:	Name of related party	Relationship	Year ended 31 March 2019	Year ended 31 March 2018
1	Rentals paid	ADI BPO Services Limited	Holding Company	160.20	160.20
		ADI Media Private Limited	Company Under Common Control	5.28	3.08
2	Infrastructure charges	ADI BPO Services Limited	Holding Company	51.60	51.60
3	Reimbursement of expenses	ADI BPO Services Limited	Holding Company	128.48	125.56
		ADI Media Private Limited	Company Under Common Control	4.01	2.33
4	Remuneration				
(i)	Short-term employee benefits	Mr. Nishith Arora	KMP	-	9.20
		Ms. Yamini Tandon	KMP	129.48	119.75
		Mr. Rahul Arora	KMP	228.44	180.88
		Mr. Sunit Malhotra	KMP	63.44	48.56
		Mr. Hitesh Jain	KMP	-	15.21
		Ms. Gagan Sahni Tyagi	KMP	18.31	17.91
		Ms. Pooja Singh	KMP	18.76	5.35
(ii)	Post-employment benefits	Mr. Sunit Malhotra	KMP	2.24	1.45
		Ms. Gagan Sahni Tyagi	KMP	0.29	0.65
		Ms. Pooja Singh	KMP	0.76	0.11
5	Director Sitting Fees	Mr. D E Udwadia	KMP	10.20	6.00
		Mr. Ashish Dalal	KMP	-	4.40
		Mr. Vijay Sood	KMP	18.60	9.40
		Mr. Ambarish Raghuvanshi	KMP	8.40	-
		Mr. Sunil Shah	KMP	1.40	-
6	Commission	Mr. D E Udwadia	KMP	14.12	17.84
		Mr. Ashish Dalal	KMP	-	13.38
		Mr. Vijay Sood	KMP	19.16	28.98
		Mr. Ambarish Raghuvanshi	KMP	11.10	-
		Mr. Sunil Shah	KMP	2.02	-
7	Professional services rendered	M/s Udwadia & Co.	Firm in which KMP is a partner	0.57	4.11

33 Related party transactions *(contd...)*

C Balances at the year end

₹ in Lacs

	Balances at the year end	Name of related party	Relationship	As at 31 March 2019	As at 31 March 2018
1	Security deposit placed	ADI BPO Services Limited	Holding Company	65.55	60.99
		ADI Media Private Limited	Company Under Common Control	0.72	0.68
2	Prepayment rent	ADI BPO Services Limited	Holding Company	31.48	36.72
		ADI Media Private Limited	Company Under Common Control	0.15	0.19
3	Trade payables	ADI BPO Services Limited	Holding Company	1.27	1.62
		ADI Media Private Limited	Company Under Common Control	-	0.26
4	Projected benefit obligation	Mr. Sunit Malhotra	KMP	9.48	7.01
		Ms. Gagan Sahni Tyagi	KMP	2.00	1.67
		Ms.Pooja Singh	KMP	2.32	1.51

Notes:

1 No amount has been written off / written back during the year in respect of dues from / to related parties.

2 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, had filed for voluntary liquidation procedure in February 2017. MAG+AB, was liquidated in December 2017 and ceased to be a subsidiary of the Company. Residual fund of MAG+AB has been disbursed to the Company in extinguishment of 100 percent shareholding of the Company in MAG+AB.

34 Contingent liabilities to the extent not provided for:

(i) Claims against Company, disputed by the Company, not acknowledged as debt:

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Income tax	706.39	930.87
(b) Service tax	481.59	280.90
(c) Employee State Insurance(ESI) and Provident Fund (PF)	2.44	2.44
(d) Other claims	-	194.31

The above amounts are based on the notice of demand / Assessment Orders / claims by the relevant authorities / parties and the Group 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 Group'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 Group's financial position and results of operations.

34 Contingent liabilities to the extent not provided for: *(contd...)*

(ii) The Supreme Court on 28 February 2019 has provided its judgment regarding inclusion of other allowances such as travel allowances, special allowances, etc., within the expression 'basic wages' for the purpose of computation of contribution of provident fund under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 ('EPF Act'). There are interpretive challenges on the application of the Supreme Court Judgment including the period from which judgment would apply, consequential implications on resigned employees, etc. Further, various stakeholders have also filed representations with PF authorities in this respect. All these factors raises significant uncertainty regarding the implementation of the Supreme Court Judgment. Owing to the aforesaid uncertainty and pending clarification from regulatory authorities in this regard, the Group has recognized provision for the PF contribution on the basis of above mentioned order with effect from the order date. Further, the management believes that impact of aforementioned uncertainties on the financial statements of the Group should not be material.

35 Commitments as at year end

a) Estimated amount of contracts remaining to be executed on capital account (net of advances) ₹0.07 Lacs (31 March 2018: ₹38.72 Lacs).

b) Leases:

(i) The Group has entered into cancellable and non-cancellable operating leases for office premises. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are ₹831.55 Lacs (31 March 2018: ₹540.73 Lacs) has been included under rent expense in note 24.

(ii) The Group has operating lease arrangements in respect of vehicles which are cancellable, range between 1 years to 5 years. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are ₹37.78 Lacs (31 March 2018: ₹21.59 Lacs) has been included under rent expense in note 24.

(iii) The Group has significant operating lease arrangements which are non-cancellable for a period up to 3 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The schedule of future minimum lease rental payments in respect of non-cancellable operating leases is set out below:

₹ in Lacs

Particulars	As at 31 March 2019	As at 31 March 2018
- not later than one year	49.58	211.80
- later than one year and not later than five years	87.63	-
- later than five years	-	-

36 Corporate Social Responsibility (CSR) Expense

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 ₹196.94 Lacs (for the year ended 31 March 2018; ₹191.79 Lacs).

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

₹ in Lacs

Purpose	Year ended 31 March 2019	Year ended 31 March 2018
Promotion of education and skills	152.68	140.46
Health care	43.68	51.33
Total	**196.36**	**191.79**

37 Business Combination:

Summary of acquisitions are as given below:

(a) The Group during the year ended 31 March 2017, had given purchase consideration of ₹428.16 Lacs in cash to acquire certain assets including application platform business from Digital River, Inc. a company based in USA vide asset purchase agreement dated 3 February 2017 which qualifies for business combination accounting. 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. The acquisition of THINK Subscription strengthens the Company's platform capabilities to include subscription management and fulfillment solutions.

Following assets and liabilities have been recorded on fair value through business combination accounting by the Group :

₹ in Lacs

Particulars	Note	As at 1 April 2017
Property, plant and equipment	3.1	62.69
Other intangible assets	4	453.01
Trade receivables		168.91
Advance from customers		(306.72)
Net assets		**377.89**
Purchase consideration		428.16
Goodwill	4	**50.27**

The goodwill of ₹50.27 Lacs comprises value of acquired workforce and expected synergies arising from the acquisition.

Goodwill is deductible for income tax purposes.

The group incurred acquisition related cost of ₹5.37 Lacs on legal fees and due diligence costs. These cost have been included in legal and professional fees under the head "other expenses".

37 Business Combination *(contd...)*

(b) The Group during the year ended 31 March 2019, had given purchase consideration of ₹5,988.16 Lacs in cash to acquire enterprise eLearning business of Tata Interactive Systems (a division of Tata Industries Limited) having its branches at USA, UK, Canada and UAE vide Business Transfer Agreement dated 24 April 2018 through MPS Interactive Systems Limited. On 01 June 2018, the acquisition of eLearning business takes group into new market segment of eLearning.

Following assets and liabilities have been recorded on fair value through business combination accounting by the Group :

₹ in Lacs

Particulars	Note	As at 1 June 2018
Property, plant and equipment	3.1	394.44
Other intangible assets	4	1,037.39
Non current-Loans		46.80
Other non-current assets		121.89
Trade receivables		867.99
Cash and cash equivalents		305.91
Loans		286.55
Contract assets		595.16
Other current assets		197.19
Trade payables		(401.99)
Other financial liabilities		(237.22)
Income received in advance (Contract liabilities)		(850.20)
Other current liabilities		(206.31)
Provisions		(129.16)
Net assets		**2,028.44**
Purchase consideration		5,988.16
Goodwill	4	**3,959.72**

The goodwill of ₹3,959.72 Lacs comprises value of acquired workforce and expected synergies arising from the acquisition. Goodwill is deductible for income tax purposes.

The company incurred acquisition related cost of ₹84.74 Lacs on legal fees, due diligence costs and stamp duty charges out of which ₹27.79 Lacs has been incurred in previous year. These cost have been included in legal and professional fees and rate and taxes under the head "other expenses".

If the acquisition had occurred on 1 April 2018, management estimates that total revenue for the Company would have been higher by ₹1,515.30 Lacs and the profit after taxes would have been lower by ₹192.56 Lacs. The pro-forma amounts are not necessarily indicative of the results that would have occurred if the acquisition had occurred on date indicated or that may result in the future.

(c) The Group during the year ended 31 March 2019, had given purchase consideration of ₹391.79 Lacs in cash to acquire entire paid up equity share capital held by Tata Industries Limited in Tata Interactive Systems GmbH, Germany (now known as TOPSIM GmbH) on 2 July 2018 vide Share Purchase Agreement dated 24 April 2018. The acquisition of TOPSIM GmbH simulations strengthen platform solutions by offering immersive learning solutions that enhance decision making skills of the participants.

37 Business Combination *(contd...)*

Following assets and liabilities have been recorded on fair value through business combination accounting by the Group :

₹ in Lacs

Particulars	Note	As at 2 July 2018
Property, plant and equipment (net of accumulated depreciation of ₹236.35 Lacs)	3.1	56.18
Other intangible assets (net of accumulated depreciation of ₹232.74 Lacs)	4	443.07
Trade receivables		173.95
Cash and cash equivalents		207.39
Contract assets		108.29
Other current assets		64.92
Deferred tax liabilities (net)	13	(11.48)
Trade payables		(33.63)
Other financial liabilities		(93.91)
Income received in advance (Contract liabilities)		(418.29)
Other current liabilities		(36.90)
Net assets		**459.59**
Purchase consideration		599.18
Goodwill	4	**139.59**

The goodwill of ₹139.61 Lacs comprises value of acquired workforce and expected synergies arising from the acquisition.

The group incurred acquisition related cost of ₹20.20 Lacs on legal fees and due diligence costs. These cost have been included in legal and professional fees under the head "other expenses".

If the acquisition had occurred on 1 April 2018, management estimates that total revenue for the Company would have been higher by ₹330.20 Lacs and the profit after taxes would have been higher by ₹209.70 Lacs. The pro-forma amounts are not necessarily indicative of the results that would have occurred if the acquisition had occurred on date indicated or that may result in the future.

37 Business Combination *(contd...)*

(d) The Group during the year ended 31 March 2019, had given purchase consideration of ₹376.22 Lacs in cash to acquire entire paid up equity share capital held by Tata Industries Limited in Tata Interactive Systems AG, Switzerland (now known as MPS Europa AG) on 5 July 2018 vide Share Purchase Agreement dated 24 April 2018. The acquisition of MPS Europa AG takes group into new market segment of eLearning.

Following assets and liabilities have been recorded on fair value through business combination accounting by the Group :

₹ in Lacs

Particulars	Note	As at 5 July 2018
Property, plant and equipment (net of accumulated depreciation of ₹288.86 Lacs)	3.1	31.96
Other intangible assets (net of accumulated depreciation of ₹561.11 Lacs)	4	124.87
Trade receivables		123.55
Cash and cash equivalents		434.17
Contract assets		192.63
Other current assets		41.63
Deferred tax liabilities (net)	13	(5.60)
Trade payables		(2.07)
Income received in advance (Contract liabilities)		(112.45)
Other current liabilities		(27.43)
Net assets		**801.26**
Purchase consideration		810.39
Goodwill	4	**9.13**

The goodwill of ₹9.14 Lacs comprises value of acquired workforce and expected synergies arising from the acquisition.

The group incurred acquisition related cost of ₹6.31 Lacs on legal fees and due diligence costs. These cost have been included in legal and professional fees under the head "other expenses".

If the acquisition had occurred on 1 April 2018, management estimates that total revenue for the Company would have been higher by ₹221.17 Lacs and the profit after taxes would have been lower by ₹39.21 Lacs. The pro-forma amounts are not necessarily indicative of the results that would have occurred if the acquisition had occurred on date indicated or that may result in the future.

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

39 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

Provision for service tax matter	As at 31 March 2019	As at 31 March 2018
As at commencement of the year	154.28	149.46
Additions	4.82	4.82
Utilisation	-	-
As at end of the year	**159.10**	**154.28**
Out of the above following amount are expected to be incurred within year	159.10	154.28

₹ in Lacs, except share and per share data, unless otherwise stated

40 During the Financial Year 2017-18 the Board of Directors of the Company had approved the Scheme of Amalgamation involving Amalgamation of ADI BPO Services Limited (post demerger of its 'Infrastructure Management Business Undertaking' into ADI Media Private Limited) into the Company.

During the Financial Year 2018-19, the Board of Directors of the Company, based on a communication from ADI BPO Services Limited that the Board of ADI BPO Services Limited had decided to withdraw the proposed Scheme of demerger of "Infrastructure Management Business Undertaking" of ADI BPO Services Limited into ADI Media Private Limited and pursuant to Clause 38 (c) and proviso 39.2 of Clause 39 of the Scheme of Amalgamation declared the said Scheme to be null and void. Pursuant to Clause 40, the Company has taken steps for withdrawal of the Scheme with National Company Law Tribunal (NCLT), Chennai and withdrawal of such Scheme has been approved by NCLT, Chennai on 01 February 2019.

41 Disclosure pursuant to section 186(4) of the Companies Act, 2013 in respect of unsecured loans to subsidiary companies (refer note 32):

₹ in Lacs

MPS Interactive Systems Limited	Purpose/Term of loan	Year ended 31 March 2019
Outstanding as at the beginning of year	General business purpose for a tenure of 5 years	-
Given during the year		2,300.00
Repaid during the year		-
Maximum balance outstanding		2,300.00
Outstanding as at the end of year		**2,300.00**

₹ in Lacs, except share and per share data, unless otherwise stated

42 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

S. N.	Name of Enterprises	Year ended	Net Assets (Total assets -Total liabilities)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	₹ in Lacs	As % of consolidated profit/(loss)	₹ in Lacs	As % of Consolidated other comprehensive income	₹ in Lacs	As % of Consolidated total comprehensive income	₹ in Lacs
	Parent									
	MPS Limited	31-Mar-19	97.56%	45,963.87	98.30%	7,474.02	(2.83%)	(9.55)	94.00%	7,464.47
		31-Mar-18	98.39%	41,192.66	97.15%	6,821.18	(223.60%)	(62.69)	95.88%	6,758.49
	Wholly Owned Subsidiaries									
	Indian									
	MPS Interactive Systems Limited (w.e.f 10 May 2018)	31-Mar-19	13.35%	6,289.03	(5.38%)	(409.14)	20.85%	70.42	(4.27%)	(338.72)
	Foreign									
1	MPS North America LLC	31-Mar-19	11.71%	5,517.67	4.49%	341.19	80.09%	270.46	7.70%	611.65
		31-Mar-18	11.72%	4,906.02	5.77%	404.91	167.52%	46.97	6.41%	451.88
2	Magplus Inc (merged w.e.f 10 August 2017 with its holding company)	31-Mar-18	-	-	(1.93%)	(135.59)	7.31%	2.05	(1.89%)	(133.54)
3	MAG+AB (liquidated w.e.f 21 December 2017)	31-Mar-18	-	-	1.87%	130.94	112.52%	31.55	2.30%	162.49
4	Topsim GmbH (acquired w.e.f 2 July 2018)	31-Mar-19	0.64%	303.29	(1.94%)	(147.47)	(2.61%)	(8.83)	(1.97%)	(156.30)
5	Europa AG (acquired w.e.f 5 July 2018)	31-Mar-19	1.90%	893.60	1.05%	80.19	3.60%	12.14	1.16%	92.33
	Total elimination	31-Mar-19	(25.16%)	(11,851.92)	3.48%	264.74	0.90%	3.06	3.38%	267.80
		31-Mar-18	(10.11%)	(4,231.13)	(2.86%)	(200.50)	36.22%	10.16	(2.70%)	(190.34)
	Total (31 March 2019)		**100%**	**47,115.54**	**100%**	**7,603.53**	**100%**	**337.70**	**100%**	**7,941.23**
	Total (31 March 2018)		**100%**	**41,867.55**	**100%**	**7,020.94**	**100%**	**28.04**	**100%**	**7,048.98**

43 Revenue from contracts with customers

(i) Revenue from contracts with customers

Revenues for the year ended 31 March 2019 and 31 March 2018 are as follows:

₹ in Lacs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Content solutions	23,283.33	21,976.96
eLearning solutions	6,995.53	-
Platform solutions	5,974.78	4,726.41
	36,253.64	**26,703.37**

(ii) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market and major products/service lines. The table also includes a reconciliation of the disaggregated revenue with the Group's three segments, which are its reportable segments (refer note 32)

₹ in Lacs

Revenue by geographical markets	Year ended 31 March 2019				Year ended 31 March 2018			
	Content solutions	eLearning solutions	Platform solutions	Total	Content solutions	eLearning solutions	Platform solutions	Total
India (country of domicile)	21.71	1,708.68	199.94	1,930.33	10.83	-	5.62	16.45
Europe	9,786.58	972.99	2,998.90	13,758.47	8,732.14	-	1,929.79	10,661.93
USA	13,164.23	2,932.54	2,425.00	18,521.77	12,928.67	-	2,283.52	15,212.19
Rest of the World	310.81	1,381.32	350.94	2,043.07	305.32	-	507.48	812.80
Total	**23,283.33**	**6,995.53**	**5,974.78**	**36,253.64**	**21,976.96**	**-**	**4,726.41**	**26,703.37**

Refer note 30 (ii) on Financial risk management for information on revenue from top customers.

(iii) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

₹ in Lacs

	As at 31 March 2019
Receivables, which are included in 'Trade and other receivables' (refer note 10)	6,871.11
Unbilled revenue (refer note 6(ii))	85.63
Contract assets (refer note 8 (ii))	3,040.90
Contract liabilities (refer note 16)	2,760.86

Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days.

The acquisition of a subsidiaries resulted in increase in trade receivables of ₹1,165.49 Lacs in year ended 31 March 2019 (refer note 37).

Notes forming part of Consolidated Financial Statements

₹ in Lacs, except share and per share data, unless otherwise stated

43 Revenue from contracts with customers *(contd...)*

Significant changes in the contract assets and the contract liabilities balances during the year are as follows

₹ in Lacs

	Year ended 31 March 2019 Contract Assets	Year ended 31 March 2019 Contract Liabilities
Balance as on the date of transition (1 April 2018)	**2,115.42**	**419.16**
Business combination (refer note no 37)	896.08	1,380.94
Revenue recognised that was included in the contract liability balance at the beginning of the year	-	(1,242.18)
Increases due to cash received, excluding amounts recognised as revenue during the year	-	2,201.58
Transfers from contract assets recognised at the beginning of the period to receivables	(2,778.87)	-
Increases as a result of changes in the measure of progress	2,803.68	-
Exchange Impact	4.59	1.36
Balance at the end of the year	**3,040.90**	**2,760.86**

(iv) The amount of revenue recognised in 31 March 2019 from performance obligations satisfied (or partially satisfied) in previous periods, mainly due to the changes in the transaction price is ₹46.45 Lacs.

(v) **Reconciliation of revenue recognized with the contracted price is as follows:**

₹ in Lacs

	Year ended 31 March 2019	Year ended 31 March 2018
Contracted price	**36,301.62**	**26,774.47**
Reductions towards variable consideration components	(47.98)	(71.10)
Revenue recognised	**36,253.64**	**26,703.37**

(vi) **Transaction price allocated to the remaining performance obligations**

The Group applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

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

Shashank Agarwal
Partner
Membership Number: 095109

Rahul Arora
Managing Director
DIN: 05353333

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 17 May 2019

Place: Gurugram
Date : 17 May 2019

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	MPS Interactive Systems Limited**	TOPSIM GmbH***, Germany	MPS Europa AG****, Switzerland
Reporting year/period for the subsidiary concerned	Financial Year 2018-19	Period 10 May 2018 to 31 March 2019	Period 02 July 2018 to 31 March 2019	Period 05 July 2018 to 31 March 2019
Reporting currency and exchange rate as on the Financial Year ended on 31 March 2019	₹69.1550= USD 1	₹1	₹77.6725= EURO 1	₹69.4325= CHF 1
Share capital	4,213.59	6,200.00	182.27	68.34
Reserves & surplus	1,304.08	89.05	121.02	825.26
Total assets	6,517.43	13,072.33	1,256.75	1,160.11
Total Liabilities	6,517.43	13,072.33	1,256.75	1,160.11
Investments	Nil	Nil	Nil	Nil
Turnover	6,742.26*	6,302.57	1,554.74*	872.54*
Profit/(loss) before taxation	492.54*	(481.38)	(161.19)*	40.76*
Provision for taxation	151.35*	(72.25)	(13.72)*	(39.43)*
Profit/(loss) after taxation	341.19*	(409.13)	(147.47)*	80.19*
Other comprehensive income	270.46*	70.42	(8.83)*	12.14*
Total comprehensive income	611.65*	(338.71)	(156.30)*	92.33*
Proposed Dividend	Nil	Nil	Nil	Nil
% of shareholding	100%	100%	100%	100%

*Converted at monthly average exchange rates.

** The Company has acquired enterprise eLearning business of Tata Interactive Systems (a division of Tata Industries Limited) having its branches at USA, UK, Canada and UAE through MPS Interactive Systems Limited, a wholly owned subsidiary of the Company.

*** The Company has acquired through Share Purchase Agreement the entire paid up equity share capital held by Tata Industries Limited in Tata Interactive Systems GmbH, Germany (now known as TOPSIM GmbH) on 2 July 2018.

**** The Company has acquired through Share Purchase Agreement the entire paid up equity share capital held by Tata Industries Limited in Tata Interactive Systems AG, Switzerland (now known as MPS Europa AG) on 5 July 2018.

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

Rahul Arora
Managing Director
DIN: 05353333

Vijay Sood
Director
DIN: 01473455

Sunit Malhotra
Chief Financial Officer & Company Secretary

Place: Gurugram
Date : 17 May 2019

NOTICE

NOTICE is hereby given that the 49th ANNUAL GENERAL MEETING OF THE MEMBERS OF MPS LIMITED ('**MPS** or the **Company**') will be held on **Wednesday, July 24, 2019 at 02:30 P.M.** at The Raintree Hotels, 636 Anna Salai, Teynampet, Chennai 600 035, Tamil Nadu to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider, and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 including Balance Sheet as at March 31, 2019 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. Nishith Arora (DIN: 00227593), Non – Executive Chairman who retires by rotation, and being eligible, offers himself for re-appointment.

3. To declare dividend of ₹25 per equity share of ₹10/- each for the financial year 2018-2019.

SPECIAL BUSINESS

4. To consider and, if thought fit, to convey assent or dissent to the following **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (**the "Act"**) as amended from time to time and the Companies (Appointment and Qualification of Directors) Rules, 2014, the Companies (Amendment) Act, 2017 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable Regulation(s) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, Mr. Sunil Manubhai Shah (DIN: 00137105) who was appointed by the Board of Directors as an Additional Director in the capacity of Independent Director with effect from December 11, 2018 pursuant to section 161(1) of the Act and who holds office up to the date of this AGM and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the company not liable to retire by rotation, for a consecutive term of Five Years with effect from January 18, 2019 to January 17, 2024."

5. To consider and, if thought fit, to convey assent or dissent to the following **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149,150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 as amended from time to time 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. Vijay Sood (DIN : 01473455), Independent Director of the Company whose period of office of 5 years is liable to be completed on May 21, 2019, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended be and is hereby re-appointed as an Independent Director of the Company with effect from May 22, 2019, to May 21, 2024 and the term shall not be subject to retirement by rotation.

By Order of the Board of Directors

Place: Gurugram
Date: May 17, 2019

Sunit Malhotra
Chief Financial Officer &
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@mpslimited.com

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. Nishith Arora (DIN: 00227593) 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 **Thursday, July 18, 2019 to Wednesday, July 24, 2019** (both days inclusive) for the purpose of the Annual General Meeting and Dividend.

10. Subject to the provisions of the Act, Dividend, as recommended by the Board of Directors, if declared at the AGM, will be paid within 30 days from the date of declaration:

    a) To all the beneficial owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities

Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Wednesday, July 17, 2019.

b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of valid transfer requests lodged with the Company as of the close of business hours on Wednesday, July 17, 2019.

11. 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.mpslimited.com under "Investors Section". Details of the unpaid / unclaimed dividend updated as on the date of last AGM held on July 27, 2018, were also uploaded on the website of the IEPF viz. www.iepf.gov.in.

    During the financial year 2018-19, unpaid/unclaimed interim dividend for the year 2011-12 was transferred to the Investors Education and Protection Fund account of the Central Government. Members, who have not yet encashed their dividend pertaining to the period starting from year ended December 31, 2011, 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 year ended December 31, 2011 and remained unclaimed for a period of seven years from the date of such transfer, have been transferred to the IEPF along were the shares for which these dividends was not claimed. 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.

12. 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.

13. 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.

14. 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.

15. Electronic copy of the Notice of the 49th 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 2018-19 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 49th 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 2018-19 is being sent through permitted mode of dispatch.

16. **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.**

17. Members may also note that the Notice of the 49th AGM and the Annual Report for the financial year 2018-19 is also available on the Company's website www.mpslimited.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.

18. **Voting through electronic means**

    a. 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 49th 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.

    b. 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.

    c. 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

The instructions for Members voting electronically are as under:

(i) **The voting period begins on Sunday, July 21, 2019 (9:00 AM) (IST) and ends on Tuesday, July 23, 2019, (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 17, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter**.

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

(iii) Click on Shareholders.

(iv) Now enter your User ID

    a. For CDSL: 16 digits beneficiary ID,

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

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

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

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(xi) Click on the EVSN **'190506008'** of MPS Limited.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

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

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

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively.**

Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) **Note for Non – Individual Shareholders and Custodians**

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

(xx) **In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com**.

19. 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 17, 2019**.

20. 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.

21. 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 or investor@cameoindia.com.

22. 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.

23. 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.

24. 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.

25. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website, www.mpslimited.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.

26. 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 24, 2019.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Statements with respect to items under Special Business covered in the Notice of Meeting are given below:

Item no. 4

Mr. Sunil Manubhai Shah, was appointed by the Board as an Additional Director in the capacity of Independent Director with effect from December 11, 2018. Thereafter in the Board Meeting held on January 18, 2019 the tenure of appointment of Mr. Sunil Manubhai Shah as an Independent Director was decided for a consecutive term of Five Years with effect from January 18, 2019 to January 17, 2024 subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the Registered Office of the company, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, as the case may be, along with a deposit of one lakh rupees. However, as per the proviso to Sec. 160 which is made effective February 09, 2018 the requirements of deposit of amount shall not apply in case of appointment of the Independent Director. Mr. Shah is an Independent Director of the Company thus there is no requirement of submission of requisite deposit.

Mr. Sunil Manubhai Shah has also given a declaration to the company that he meets criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Qualification of Directors) Rules, 2014 and relevant regulation of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. He does not hold any shares of MPS Limited. Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

The Board is of the opinion that Mr. Sunil Manubhai Shah's expertise and experience will be beneficial to the Company.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 4 of the Notice. The Board recommends the Ordinary Resolution as set out at item no. 4 for approval by the Members.

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.

Item no. 5

Mr. Vijay Sood is an Independent Director of the Company and Chairperson of the Audit Committee of the Board of Directors of the Company. He joined the Board of Directors of the Company in January, 2012. Pursuant to the Act, Mr. Sood, was appointed as an Independent Director to hold office for five consecutive years commencing from May 22, 2014 upto May 21, 2019, by the Members of the Company in the 44th AGM held on August 08, 2014.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, and shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

The Board based on the recommendation of the Nomination and Remuneration Committee approved the re-appointment of Mr. Sood as an Independent Director of the Company, not liable to retire by rotation, to hold office for Five (5) consecutive years with effect from May 22, 2019 to May 21, 2024, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Mr. Sood is a Non-Executive Director on the Board of MPS Interactive Systems Limited, a wholly owned subsidiary company of MPS Limited. He was the Managing Director of HB Stockholdings Limited and was the director on the Board of Taurus Asset Management Co. Limited. He worked in well-known firms like Renaissance Services SAOG, Credit Agricole Indosuez, WI Carr Indosuez, HSBC India, and ANZ Grindlays India.

Mr. Sood is an Economics Honours graduate from St. Stephen's College, Delhi, MBA from IIM Ahmedabad, and is a member of the Institute of Cost Accountants of India.

Mr. Sood holds 9731 shares in the Company.

In the opinion of the Board, Mr. Sood fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sood as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to eligibility and re-appointment of Mr. Sood as an Independent Director for another term of five consecutive years with effect from May 22, 2019 to May 21, 2024 for the approval by the shareholders of the Company.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 5 of the Notice. The Board recommends the Special Resolution as set out at item no. 5 for approval by the Members.

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.

By Order of the Board of Directors

Place: Gurugram
Date: May 17, 2019

Sunit Malhotra
Chief Financial Officer &
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@mpslimited.com

Annexure

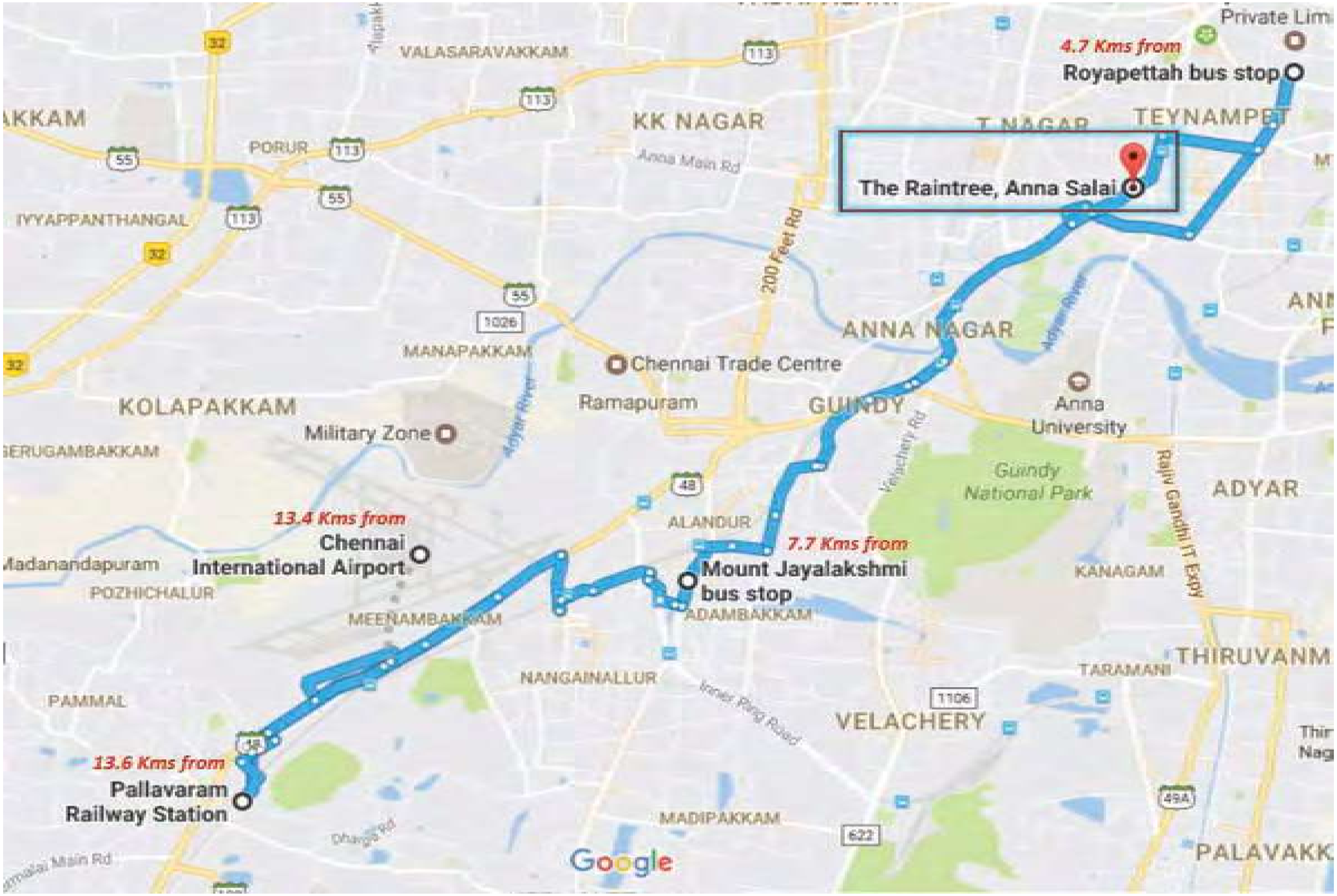
(For Items No. 2, 4 & 5)

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 (SS-2):

Particulars	Mr. Sunil Manubhai Shah	Mr. Vijay Sood	Mr. Nishith Arora
Date of Appointment	December 11, 2018	January 17, 2012	May 15, 2017
Age	61 years	61 years	62 years
Last gross remuneration (paid during the financial year 2018-19)	Nil	Nil	Nil
Qualifications	Mr. Shah is a graduate from IIM Ahmedabad. Mr. Shah has been the President of the IIM Ahmedabad Alumni Association (Bombay) and Co-Chairperson of the Indian Merchant Chamber Finance Sector Committee.	Mr. Sood is an Economics Honors graduate from St. Stephen's College, Delhi, MBA from IIM Ahmedabad, and is a Member of the Institute of Cost Accountants of India.	Mr. Arora is a graduate in Economics from Delhi University, PGDBM from IIM, Ahmedabad and 3-year Owner President Management program at Harvard Business School.
Expertise in specific functional area	Mr. Shah is a promoter at Evergreen Family Business Advisors. Evergreen helps create practical solutions to common issues confronting Family Businesses. Through structured processes and meetings, families learn to resolve the most important issues and create a roadmap for the next generation also.	Mr. Sood is a Non-Executive Director on the Board of MPS Interactive Systems Limited, a wholly owned subsidiary company of MPS Limited. He was the Managing Director of HB Stockholdings Limited and was the director on the board of Taurus Asset Management Co. Limited. He worked in well-known firms like Renaissance Services SAOG, Credit Agricole Indosuez, WI Carr Indosuez, HSBC India, and ANZ Grindlays India.	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
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil	Nil	Mr. Rahul Arora – Son Ms. Yamini Tandon – Daughter in law
Number of Meetings of the Board attended during the year	1 Meeting	7 Meetings	7 Meetings
Directorships held in other Public Limited Companies in India	Nil	MPS Interactive Systems Limited	MPS Interactive Systems Limited
*Chairmanships / Memberships of Committees in other Public Limited Companies in India.	Nil	Nil	Nil
Shareholding in the Company (No. of shares)	Nil	9731 Shares	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@mpslimited.com, **Website:** www.mpslimited.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 49th Annual General Meeting of the Company to be held on Wednesday, July 24, 2019 at 2:30 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 49th 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@mpslimited.com, **Website:** www.mpslimited.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 :

1. Name: .... Address:..

   E-mail Id: .... Signature: ...., or failing him/her;

2. Name: .... Address:..

   E-mail Id: .... Signature: ...., or failing him/her;

3. Name: .... Address:..

   E-mail Id: .... Signature: ...., or failing him/her;

   And whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **49th Annual General Meeting** of the Company to be held on **Wednesday, July 24, 2019 at 2:30 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:

P.T.O.

Sr. No.	Resolutions	*Optional For	*Optional 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. Nishith Arora (DIN: 00227593), who retires by rotation.		
3	To declare final dividend of ₹25 per equity share of ₹10/- each for the Financial Year ended March 31, 2019.		
4	Appointment of Mr. Sunil Manubhai Shah as an Independent Director of the Company.		
5	Re-appointment of Mr. Vijay Sood as an Independent Director of the Company.		

Signed this.. day of.................. 2019

Affix ₹1
Revenue
Stamp

Signature of shareholder:...

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

Notes:

1. **This form of proxy in order to be effective should be duly completed, signed, 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 49th Annual General Meeting.

OUR NEW JEWELS

MPS Interactive
Powered by MPS

Make Learning Smarter

MPS Interactive develops custom solutions focused on enabling organizations to address their business and learning challenges effectively. The company's portfolio includes innovative learning modalities, such as gamification, serious games, simulations, micro-learning, mobile learning, and AR/VR; and learning consulting services and technology platforms, such as Learning Planet® Enterprise, a learning management system.

TOPSIM®
Powered by MPS

Learning Business by Doing Business

MPS's TOPSIM® business simulations offer an immersive way to gain first hand and risk-free experience in managing practical business challenges. These simulations help sharpen business acumen and decision-making skills, whether you are competing against our system or your co-workers. Choose from ready-to-play topics or get a customized simulation to suit the specific needs of your organization.

MPS Europa
Powered by MPS

Make Learning Smarter

MPS Europa AG uses high-end innovative products to supports companies as they navigate the digitized world. The company's product platforms feature LEARNow™, an efficient and intuitive Learning Management System, and QuizBiz, a competitive and social quizzing mobile app. MPS Europa AG also delivers engaging and memorable learning experiences through digital learning, digital media, gamification solutions, and CyberTest, an assessment engine.

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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