

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF MPS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements (Fit for Consolidation (FFC) Accounts) of MPS North America LLC ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the FFC Accounts

The Company's Board of Directors is responsible for the preparation of these FFC Accounts that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles of MPS Limited. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the FFC Accounts that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these FFC Accounts based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the FFC Accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the FFC Accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the FFC Accounts that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the FFC Accounts.

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

These FFC accounts have been prepared solely to enable MPS Limited to prepare its Consolidated Financial Statements as per the requirements of clause 32 of equity listing agreement and in accordance with Accounting Standard 21, 'Consolidated Financial Statements' and not to report on the Company as a separate entity. Accordingly, these FFC Accounts are not intended to present a true and fair view of the balance sheet of the Company as at March 31, 2015 and of the result of operations and

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Deloitte Haskins & Sells

cash flows for the year then ended in accordance with generally accepted accounting principles in India.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, these aforesaid FFC Accounts give a true and fair view in conformity with the accounting principles of MPS Limited and are suitable for inclusion in the Consolidated Financial Statements of MPS Limited as per the requirements of clause 32 of equity listing agreement and in accordance with Accounting Standard 21, 'Consolidated Financial Statements'

This report is intended solely for the use of Deloitte Haskins & Sells in connection with the audit of the Consolidated Financial Statements of MPS Limited and should not be used for any other purpose.

For DELOITTE HASKINS & SELLS

Chartered Accountants

(Firm Registration No. 015125N)



Vijay Agarwal

Partner

(Membership No. 094468)

GURGAON, May 25, 2015

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Balance Sheet as at 31-Mar-2015

Particulars	Note No.	As at 31-Mar-2015	As at 31-Mar-2014
		INR in Lacs	INR in Lacs
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	1,784.76	1,047.24
(b) Reserves and surplus	4	246.87	(90.27)
		2,031.63	956.97
2 Non-current liabilities			
(a) Deferred tax liabilities (net)	25	18.34	-
		18.34	-
3 Current liabilities			
(a) Trade payables	5	284.69	139.79
(b) Other current liabilities	6	0.11	-
(c) Short-term provisions	7	43.85	0.49
		328.65	140.28
TOTAL		2,378.62	1,097.25
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8.A	48.43	19.36
(ii) Intangible assets	8.B	1,062.19	481.48
		1,110.62	500.84
(b) Deferred tax assets (net)	25	-	69.14
(c) Long-term loans and advances	9	7.21	3.21
		1,117.83	573.19
2 Current assets			
(a) Trade receivables	10	830.02	333.75
(b) Cash and cash equivalents	11	367.61	186.91
(c) Short-term loans and advances	12	8.43	3.40
(d) Other current assets	13	54.73	-
		1,260.79	524.06
TOTAL		2,378.62	1,097.25
See accompanying notes forming part of the financial statements	1-28		

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

Place : Gurgaon
Date : 25-May-2015

For and on behalf of MPS North America LLC

Rahul Arora

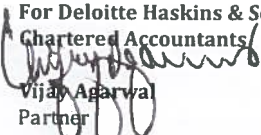
Rahul Arora
Manager

Place : Gurgaon
Date : 25-May-2015



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

Particulars		Note No.	For the year ended 31-Mar-2015	For the period 29th May 2013 to 31st Mar 2014
			INR in Lacs	INR in Lacs
I	Revenue from operations	14	2,564.32	899.28
II	Other income	15	12.85	-
III	Total revenue		2,577.17	899.28
IV	Expenses			
	(a) Employee benefits expense	16	949.82	662.06
	(b) Depreciation and amortisation expenses	8	28.14	23.56
	(c) Other expenses	17	1,164.57	412.84
	Total expenses		2,142.53	1,098.46
V	Profit/(Loss) before tax (III-IV)		434.64	(199.18)
VI	Tax expense/(benefit):			
	(a) Current tax		72.16	-
	(b) Deferred tax	25	88.77	(69.14)
	Total tax expense/(benefit)		160.93	(69.14)
VII	Profit(Loss) for the year (V-VI)		273.71	(130.04)
VIII	Earnings per share (USD 100 each) Basic and Diluted	24	1,209.21	(722.45)
	See accompanying notes forming part of the financial statements	1-28		

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

Vijay Agarwal
Partner

Place : Gurgaon
Date : 25-May-2015

For and on behalf of MPS North America LLC


Rahul Arora
Manager

Place : Gurgaon
Date : 25-May-2015





MPS North America LLC

Cash Flow Statement for the year ended 31 Mar 2015

Description	For the year ended 31-Mar-2015 INR in Lacs		From 29th May 2013 to 31st Mar 2014 INR in Lacs	
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit before tax		434.64		(199.18)
Adjustments for:				
Depreciation & amortisation	28.14		23.56	
Loss on sale of fixed assets	-		0.42	
Liabilities & Provisions no longer required written back	(10.13)		-	
Provision for/(reversal of) doubtful trade receivables / loans and advances	(36.84)		36.84	
Bad debts written off	50.96		-	
Other non-cash adjustments	(1.24)		-	
		30.89		60.82
Operating profit before working capital changes		465.53		(138.36)
<u>Changes in working capital:</u>				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(482.19)		(170.98)	
Short-term loans and advances	(5.04)		(3.40)	
Other current assets	(54.73)		-	
Long-term loans and advances	(4.01)		(3.21)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	155.03		(167.08)	
Short-term provisions	(2.04)		0.49	
Other current liabilities	0.11		-	
		(392.87)		(344.18)
Cash generated from operations		72.66		(482.54)
Net income tax paid		(28.50)		-
Net cash flow from operating activities (A)		44.16		(482.54)
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances	(4.44)		(2.24)	
Proceeds from disposal of fixed assets	-		0.11	
Acquisition of assets	(665.62)		(416.63)	
Net cash used in investing activities (B)		(670.06)		(418.76)





MPS North America LLC

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

Description	For the year ended 31-Mar-2015 INR in Lacs		From 29th May 2013 to 31st Mar 2014 INR in Lacs	
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	737.52		1,047.24	
Net cash used in financing activities (C)		737.52		1,047.24
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		111.62		145.94
Impact on Cash Flow on account of foreign currency translation		69.08		40.97
Cash and cash equivalents at the end of the year*		180.70		186.91
Opening balance of cash	186.91		-	
	186.91		-	186.91
Closing balance of cash	367.61		186.91	
	367.61		186.91	
		180.70		186.91
Reconciliation of cash and cash equivalents with the balance sheet:				
Cash and cash equivalents as per balance sheet (Refer Note 11)	367.61		186.91	
Cash and cash equivalents at the end of the year/(period)*		367.61		186.91
*Comprises:				
In current accounts	367.61		186.91	
		367.61		186.91
See accompanying notes forming part of the financial statements	1-28			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered AccountantsUjay Agarwal
PartnerPlace : Gurgaon
Date : 25-May-2015

For and on behalf of MPS North America LLC

Rahul Arora
ManagerPlace : Gurgaon
Date : 25-May-2015

MPS NORTH AMERICA LLC

Notes forming part of the financial statements

1 Corporate Information

Background

MPS North America LLC ('MPS NA LLC'/'Company') registered as a Limited Liability Company under the laws of the State of Florida in the United States of America and provides full service editorial, design and production services to the educational publishing market with expertise in developing turnkey solutions for print and online products.

During the year, MPS NA LLC acquired two entities namely Electronic Publishing services Inc. and TSI Evolve Inc., US based companies on October 1, 2014 and March 29, 2015 in the same domain.

2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the MPS NA LLC (the Company) have been prepared for the purpose of consolidation with MPS Ltd., the Holding Company. The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The financial statements have been prepared under the accrual basis of accounting, using the historical cost convention. The Company is a wholly owned subsidiary of MPS Limited and has been treated as a non-integral foreign operation.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

2.3 Cash and cash equivalents

Cash comprises balances in current accounts with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.4 Cash flow statement

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



2.5 Depreciation and amortization

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

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

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

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

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

2.6 Revenue recognition

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

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

2.7 Fixed Assets (Tangible / Intangible)

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

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

Goodwill comprises the excess of purchase consideration over the fair value of the net assets acquired classified as an asset on the balance sheet

2.8 Foreign Exchange Transactions

(a) Initial Recognition — The Company is domiciled in Florida and its functional currency is USD. Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount, the exchange rate between the Functional currency and the foreign currency approximately at the date of the transaction.



(b) Exchange Differences - Exchange differences arising on the settlement or restatement of monetary items, are recognized as income or as expenses in the period, in which they arise,

(c) Translation/Conversion - All transactions recorded in US Dollars (functional currency) are translated to Indian Rupees (Reporting currency) using monthly average rate for income and expenses and closing rate for balance sheet items.

All resulting exchange difference arising out of year end conversion has been recognized in the Foreign Currency Translation Reserve.

2.9 Leases

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

2.10 Earnings per unit

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

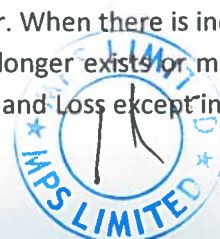
2.11 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of applicable foreign tax laws.

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

2.12 Impairment of assets

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



2.13 Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.14 Operating Cycle

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



MPS North America LLC
Notes forming part of the financial statements

Note 3 Share capital

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	Number of units	Amount in INR Lacs	Number of units	Amount in INR Lacs
(A) Issued, Subscribed and fully paid up share capital				
Units of USD 100 each	30,000	1,784.76	18,000	1,047.24
The Company's share are denominated in units, the share capital in US Dollar is translated into Indian Rupees.				
Total		1,784.76		1,047.24

Notes:

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

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	Number of units	Amount in INR Lacs	Number of units	Amount in INR Lacs
No. of Units				
At the beginning of the year	18,000	1,047.24	-	-
Add: Issue of shares during the year	12,000	737.52	18,000	1,047.24
At the end of the year	30,000	1,784.76	18,000	1,047.24

* Note: On November 11, 2014 the Company has allotted 12000 shares of the face value of USD 100 each to MPS Limited.

(ii) Terms/rights attached to Units

The Company has only one class of units having a par value of USD 100 / per unit. Each unit holder is entitled to one vote per unit. In the event of liquidation of the Company, the unit holders will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to number of units held by the unit holders.

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

Particulars	As at 31-Mar-15 Number of Units	As at 31-Mar-14 Number of Units
MPS Limited, the holding company	30,000	18,000

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

Class of Units / Name of unit holder	As at 31-Mar-15		As at 31-Mar-14	
	Number of Units held	% holding in that class of Units	Number of Units held	% holding in that class of Units
Units MPS Limited	30,000	100.00%	18,000	100.00%



MPS North America LLC
Notes forming part of the financial statements

Note 4 Reserves and surplus

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
	INR in Lacs	INR in Lacs
(a) Foreign currency translation reserve		
Opening balance	39.77	-
Add: Movement during the year	69.08	39.77
Closing balance	108.85	39.77
Opening balance	(130.04)	
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Refer Note 21)	5.65	
Add: Profit/(Loss) for the year	273.71	(130.04)
Closing balance	138.02	(130.04)
Total	246.87	(90.27)

Note 5 Trade payables

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
	INR in Lacs	INR in Lacs
Trade payables	284.68	139.79
	284.68	139.79

Note 6 Other current liabilities

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
	INR in Lacs	INR in Lacs
Advances from customers	0.11	-
	0.11	-

Note 7 Short-term provisions

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
	INR in Lacs	INR in Lacs
(a) Provision for taxation (net of advance tax)	43.85	-
(b) Compensated absences	-	0.49
	43.85	0.49



MPS North America LLC
Notes forming part of the financial statements

Note 8 Fixed assets

INR in Lakhs

A. Tangible assets (Owned)	Gross block			Accumulated Depreciation			Net Block	
	As at 01-Apr-2014	Additions	Gross block Disposals	Adjustment for Foreign Exchange	As at 31-Mar-2015	As at 01-Apr-2014	As at 31-Mar-2015	As at 31-Mar-2014
(a) Plant & Machinery	27.34	46.52	-	9.30	83.16	10.41	37.64	16.93
	(-)	(27.34)	(-)	(-)	(27.34)	(-)	(10.41)	(-)
(b) Furniture and Fixtures	3.32	1.36	-	0.18	4.86	0.89	1.95	2.43
	(-)	(4.37)	(1.05)	(-)	(3.32)	(-)	(0.89)	(-)
Total (A)	30.66	47.88	-	9.48	88.02	11.30	39.59	19.36
Previous year	(-)	(31.71)	(1.05)	(-)	(30.66)	(-)	(11.30)	(-)

B. Intangible assets (Owned)	Gross block			Accumulated Depreciation			Net Block	
	As at 01-Apr-2014	Additions	Gross block Disposals	Adjustment for Foreign Exchange	As at 31-Mar-2015	As at 01-Apr-2014	As at 31-Mar-2015	As at 31-Mar-2014
(a) Goodwill on acquisition	467.26	567.32	(-)	25.75	1,060.33	-	1,060.33	467.26
	(-)	(467.26)	(-)	(-)	(467.26)	(-)	(-)	(-)
(b) Software	25.96	0.13	-	1.43	27.52	11.74	25.66	14.22
	(-)	(25.96)	(-)	(-)	(25.96)	(-)	(11.74)	(-)
Total	493.22	567.45	-	27.18	1,087.85	11.74	1,086.19	481.48
Previous year	(-)	(493.22)	(-)	(-)	(493.22)	(-)	(11.74)	(-)

Grand Total (A + B)	523.88	615.33	-	36.66	1,175.67	23.04	65.25	500.84
Previous year	(-)	(524.93)	(1.05)	(-)	(523.88)	(-)	(23.04)	(-)

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



Note 9 Long-term loans and advances

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
	INR in Lacs	INR in Lacs
(a) Security deposits		
Unsecured, considered good	7.21	3.21
	7.21	3.21

Note 10 Trade receivables (Unsecured)

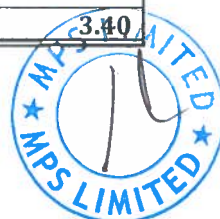
Particulars	As at 31-Mar-2015	As at 31-Mar-2014
	INR in Lacs	INR in Lacs
Outstanding for a period exceeding six months		
Considered good	-	16.42
Doubtful	-	36.84
	-	53.26
Less: Provision for doubtful trade receivables	-	36.84
	-	16.42
Other Trade receivables		
Considered good	830.02	317.33
	830.02	317.33
	830.02	333.75

Note 11 Cash and cash equivalents

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
	INR in Lacs	INR in Lacs
A. Cash and cash equivalents		
Balances with banks		
In current accounts	367.61	186.91
	367.61	186.91
Out of the above the balances that meet the definition of Cash and Cash equivalents as per AS 3 Cash Flow Statement is :	367.61	186.91

Note 12 Short-term loans and advances

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
	INR in Lacs	INR in Lacs
(a) Prepaid expenses - Unsecured considered good	8.43	3.40
	8.43	3.40



MPS North America LLC
Notes forming part of the financial statements

Note 13 Other current assets

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
	INR in Lacs	INR in Lacs
Unbilled revenue	54.73	-
	54.73	-

Note 14 Revenue from operations

Particulars	For the year ended 31-Mar-2015	For the period 29th May 2013 to 31st Mar 2014
	INR in Lacs	INR in Lacs
Sale of services		
Income from e-publishing services	2,564.32	899.28
	2,564.32	899.28

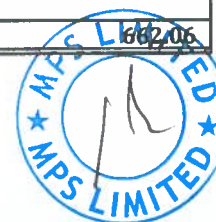
Note 15 Other Income

Particulars	For the year ended 31-Mar-2015	For the period 29th May 2013 to 31st Mar 2014
	INR in Lacs	INR in Lacs
(a) Other non-operating income (Refer note (i) below)	12.85	-
	12.85	-

Particulars	For the year ended 31- Mar-2015	For the period 29th May 2013 to 31st Mar 2014
	INR in Lacs	INR in Lacs
Note (i) Other non-operating income comprises:		
Liabilities and provisions no longer required written back	10.13	-
Miscellaneous income	2.72	-
	12.85	-

Note 16 Employee benefits expense

	For the year ended 31- Mar-2015	For the period 29th May 2013 to 31st Mar 2014
	INR in Lacs	INR in Lacs
Salaries and wages	948.65	661.80
Staff welfare expenses	1.17	0.26
	949.82	662.06



MPS North America LLC
Notes forming part of the financial statements

Note 17 Other expenses

Particulars		For the year ended 31-Mar-2015	For the period 29th May 2013 to 31st Mar 2014
		INR in Lacs	INR in Lacs
Consumables		0.01	0.07
Outsourcing cost		965.21	267.83
Power and fuel		0.80	2.62
Rent including lease rentals (Refer note 23)		62.81	40.83
Hire charges		0.96	0.28
Repairs and maintenance - Others		3.14	5.82
Repairs and maintenance - Plant and machinery		0.49	-
Insurance		4.90	2.81
Rates and taxes		0.49	-
Communication		26.72	15.80
Travelling and conveyance		50.57	23.39
Legal and professional		25.87	3.86
Bad trade receivables written off	50.93		-
Less: Provision utilised for the above	36.84		
		14.09	
Loss on fixed assets sold		-	0.42
Provision for doubtful trade, loans and advances and other receivables		-	36.84
Miscellaneous expenses		8.51	12.27
		1,164.57	412.84



MPS North America LLC
Notes forming part of the financial statements

Disclosures under Accounting Standards

Disclosures under Accounting Standards

Note	Particulars																																													
18	Acquisition of Assets The Company has acquired the following assets from Electronic Publishing Services INC and TSI Evlove, Inc. vide Asset Purchase Agreement effective October 1, 2014 and March 29, 2015 respectively. The amount paid by the Company in excess of the net assets acquired is recognised as Goodwill on acquisition, as detailed below:																																													
	<table><tr><th>Particulars</th><th>As at 31-Mar-2015</th><th>As at 31-Mar-2014</th></tr><tr><td></td><th>INR in lacs</th><th>INR in lacs</th></tr><tr><td>Value of assets taken over:</td><td></td><td></td></tr><tr><td>Plant & machinery</td><td>42.21</td><td>27.25</td></tr><tr><td>Furniture & fixtures</td><td>1.36</td><td>2.68</td></tr><tr><td>Software</td><td>-</td><td>25.50</td></tr><tr><td>Trade receivables</td><td>-</td><td>197.34</td></tr><tr><td>Unbilled revenue</td><td>54.73</td><td>-</td></tr><tr><td>TOTAL</td><td>98.30</td><td>252.77</td></tr><tr><td>Liabilities taken over:</td><td></td><td></td></tr><tr><td>Trade payables</td><td>-</td><td>303.40</td></tr><tr><td>TOTAL</td><td>-</td><td>303.40</td></tr><tr><td>Net value of assets taken over</td><td>98.30</td><td>(50.63)</td></tr><tr><td>Purchase cost</td><td>665.62</td><td>416.63</td></tr><tr><td>Goodwill on acquisition</td><td>567.32</td><td>467.26</td></tr></table>	Particulars	As at 31-Mar-2015	As at 31-Mar-2014		INR in lacs	INR in lacs	Value of assets taken over:			Plant & machinery	42.21	27.25	Furniture & fixtures	1.36	2.68	Software	-	25.50	Trade receivables	-	197.34	Unbilled revenue	54.73	-	TOTAL	98.30	252.77	Liabilities taken over:			Trade payables	-	303.40	TOTAL	-	303.40	Net value of assets taken over	98.30	(50.63)	Purchase cost	665.62	416.63	Goodwill on acquisition	567.32	467.26
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Goodwill on acquisition	567.32	467.26																																												
19	Contingent Liabilities and Capital Commitments There are no contingent liabilities and capital commitments as on the date of the balance sheet.																																													
20	Derivative Instruments The Company has not entered into any foreign currency contracts during the period and hence there are no outstanding forward exchange contracts as on the date of the balance sheet. There are no unhedged foreign currency exposures as on the date of the balance sheet.																																													
21	During the year, pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of Rs. 5.65 lacs (net of deferred tax) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.																																													
22	Employee benefit plans Employee benefits includes Short-term compensated absences(CPTO) of Rs. Nil for FY 2014-15 (Rs. 0.49 Lacs for FY 2013-14).																																													



MPS North America LLC

Notes forming part of the financial statements


Note	Particulars	For the year ended 31-Mar-2015	For the period 29th May 2013 to 31st Mar 2014
		INR in lacs	INR in lacs
23	Details of leasing arrangements		
	As Lessee		
	The Company has entered into cancellable and non-cancellable operating leases for office premises. Lease rentals recognised in respect of such operating leases in the Statement of Profit and Loss is:	62.81	40.83
	The total of future minimum lease payments in respect of premises taken on lease under non-cancellable operating leases are as follows:		
	Future minimum lease payments		
	not later than one year	38.20	34.44
	later than one year and not later than five years	31.26	65.74
	later than five years	-	-
		69.46	100.18

Note	Particulars	For the year ended 31-Mar-2015	For the period 29th May 2013 to 31st Mar 2014
		INR in lacs	INR in Lacs
24	Earnings per unit		
	Basic		
	Net profit/(loss) for the period attributable to the unit holders	273.71	(130.04)
	Total number of units outstanding at the end of the year	30,000	18,000
	Weighted average number of units	22,636	18,000
	Par value per unit	USD 100	USD 100
	Earnings per unit - Basic and Diluted	1,209.21	(722.45)

Note	Particulars	As at 31-Mar-2015	For the period 29th May 2013 to 31st Mar 2014
		INR in lacs	INR in Lacs
25	Deferred tax (liability) / asset		
	Tax effect of items constituting deferred tax asset		
	Provision for doubtful trade receivables	-	13.86
	On difference between book balance and tax balance of fixed assets:	(15.17)	(4.58)
	Others	(3.17)	59.86
	Net Deferred Tax Asset / (Liability)	(18.34)	69.14



MPS North America LLC
Notes forming part of the financial statements

Note	Particulars			
26	Related party transactions			
26.a	Details of related parties:			
	Description of relationship	Names of related parties		
	(i) Ultimate Holding Company	ADI BPO Services Limited		
	(ii) Holding Company	MPS Limited		
	(iii) Key Managerial Personnel (KMP)	Mr. Rahul Arora, Manager		
26.b	Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:			
		Holding Company	KMP	INR in Lacs Total
	Equity Contribution	737.52 (1,047.24)	- (-)	737.52 (1,047.24)
	Receiving of Services	494.53 (-)	- (-)	494.53 (-)
	Reimbursement of Expenses Paid	- (11.62)	- (-)	- (11.62)
	Balance Outstanding at the end of the year			
	Trade payables	164.44 (-)	- (-)	164.44 (-)
	Trade Receivables	2.74 (-)	- (-)	2.74 (-)
	Note: 1. No amount has been written off / written back during the year in respect of dues from / to related parties. 2. Figures in brackets relate to the previous year figures.			
27	Segment information			
	The Company operates in one business segment of providing editorial, design and production services to the educational publishing market and is considered to constitute a single segment in the context of segment reporting as prescribed by Accounting Standard 17 - "Segment Reporting".			
28	Previous Year's figures			
	Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Previous period was from 29-May-2013 to 31-Mar-2014.			
	For and on behalf of MPS North America LLC			
				
	Rahul Arora Manager			
	Place: Gurgaon Date : 25-May-2015			

