

Fairness Opinion

PREPARED BY

Emkay[®]

Your success is our success

Emkay Global Financial Services Ltd.

The Ruby, 7th Floor, Senapati Bapat Marg,

Dadar - West,

Mumbai - 400028

SEBI Regn. No.: INM000011229

22nd January, 2018

We understand that the Management of ADI BPO Services Limited (“Transferor Company”) and MPS Limited (“Transferee Company”) proposes to consider the Scheme of Amalgamation (“Scheme”) of Transferor Company (Post Demerger of its Infrastructure Management Business Undertaking into ADI Media Private Limited) into Transferee Company’.

Based on the rationale outlined in the Scheme and as informed by the Management of the Transferee Company that the Transferee Company is actively considering opportunities to acquire Indian entities with a view to expand its business, operations and revenue. Currently, Transferee Company is the one layer of subsidiary of Transferor Company. Any acquisition(s) by Transferee Company involving more than one layer of Indian subsidiaries would be impermissible having regard to the provisions of Section 2(87) of the Companies Act, 2013, read with Companies (Restriction on number of layers) Rules, 2017. That being so Transferee Company will be prevented from acquiring an Indian subsidiary company which has its own Indian subsidiary, should opportunity arise. This could result in loss of significant business opportunities available to the Transferee Company, its growth and future revenues. To this end, the management of Transferee Company has proposed the Scheme to remove the present one layer (i.e. the Transferor Company).

This Fairness Opinion on the Scheme is being undertaken by Emkay Global Financial Services Limited (“Emkay”) at the request of MPS.

This report is subject to the scope & limitations detailed hereinafter and to be read in complete and not in part(s).

This report has been based on valuation report issued by SS Kothari Mehta & Co. (“Valuer”) Chartered Accountants and other relevant sources believed to be true and reliable.

While the information provided by Valuer and contained herein is believed to be accurate, no representation or warranty, expressed or implied, is or will be made and no responsibility or liability will be accepted by Emkay as to, or in relation to the accuracy or adequacy of information contained in this report. The opinion in this report is provided in good faith and MPS accepts the responsibility that no material information that is vital for arriving at a decision on Scheme has been suppressed or misstated while providing data / information to Emkay.

This report has been prepared for MPS with a limited purpose / scope and will be confidential and for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence of discussions with any person, except to whom it is issued and to those who are involved and/or for obtaining various statutory or regulatory approvals, for this Scheme.



January 22, 2018

The Board of Directors,
MPS Limited
RR Towers IV, Super A, 16/17
TVK Industrial Estate,
Guindy, Chennai – 600 032,
Tamil Nadu

1. Background of Engagement

We have been appointed by MPS Limited (‘Transferee Company’) as per the Engagement Letter dated 17th January, 2018 to provide Fairness Opinion on the valuation report prepared by M/s. SS Kothari Mehta & Co., Chartered Accountants (‘the Valuer’) with respect to the Proposed Scheme of Amalgamation of ADI BPO Services Limited (Post Demerger of its Infrastructure Management Business Undertaking into ADI Media Private Limited) into MPS Limited.

In accordance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as applicable to the listed companies, the Listed Company is required to obtain, a Fairness Opinion on the Valuation of the assets / equity shares by the Valuer for the Company from an Independent Merchant banker.

2. Sources of information

- a. Annual report of MPS for FY 2015, 2016 & 2017
- b. Audited Financial Statements of ADI BPO FY 2015, 2016, 2017
- c. Proposed Scheme of Amalgamation
- d. Documents available as on date on MCA portal for Transferor and Transferee Company
- e. Details of Transferee Company available on the websites of BSE Limited (‘BSE’) and National Stock Exchange of India Limited (‘NSE’)
- f. Valuation Report of M/s SS Kothari Mehta & Co., Chartered Accountants (‘Valuation Report’)
- g. In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our analysis.

3. Background of companies

ADI BPO (‘Transferor Company’) was incorporated on January 9, 2006 with the name styled as ADI Publishing Services Private Limited in Delhi by the Registrar of Companies, NCT of Delhi and Haryana. The CIN of ADI BPO is U22110TN2006PLC118038. The

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name of the company was changed to ADI BPO Services Private Limited vide fresh certificate of incorporation dated November 8, 2007. Further, the company was converted from private limited to public limited, i.e. the current name, vide certificate dated May 8, 2012. The registered office of the company was shifted from Delhi to the State of Tamil Nadu vide the order of the Regional Director, Northern Region dated July 7, 2017 and fresh certificate of incorporation was issued by the Registrar of Companies, Chennai on August 9, 2017. The Transferor Company is the holding company of the Transferee Company.

The authorized, issued, subscribed and paid up share capital of Transferor Company as on March 31, 2017 as per audited financial statements is as follows:

PARTICULARS	AMOUNT (Rs)
<u>AUTHORIZED CAPITAL</u>	
15,000,000 Equity Shares of Rs 1/- each	15,000,000
Total	15,000,000
<u>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</u>	
11,746,375 Equity Shares of Rs 1/- each	11,746,375
Total	11,746,375

Transferor Company holds 1,26,16,996 shares of Transferee Company representing 67.77% of paid up equity shares of Transferee Company. Nishith Arora is the largest shareholder and promoter of Transferor Company.

Nishith Arora holds 1,06,55,996 shares of Transferor Company representing 90.72% and ADI Media holds 9,90,375 shares of Transferor Company representing 8.43% and Anju Arora holds 1,00,000 shares of Transferor Company representing 0.85%.

MPS Limited (‘Transferee Company’) was incorporated on January 19, 1970 with the name styled as “The Macmillan Company of India Private Limited” in Tamil Nadu by the Registrar of Companies, Tamil Nadu. The CIN of MPS is L22122TN1970PLC005795. The company was converted from private limited to public limited and the name of the company was changed to “The Macmillan Company of India Limited” vide fresh certificate of incorporation dated September 14, 1971. Name of the company was further changed to “Macmillan India Limited” vide fresh certificate of incorporation dated October 4, 1980. Name of the company was further changed to its current name i.e. “MPS Limited” vide fresh certificate of incorporation dated June 25,



2009. The registered office of the company is situated in the state of Tamil Nadu. MPS is engaged in providing content creation, production, transformation and technology services to global academic, scientific and educational publishers. The equity shares of MPS are listed on BSE Limited ["BSE"] and National Stock Exchange of India Limited ["NSE"].

The authorized, issued, subscribed and paid up share capital of Transferee Company as on March 31, 2017 is as follows:

PARTICULARS	AMOUNT (Rs)
<u>AUTHORIZED CAPITAL</u>	
20,000,000 Equity Shares of Rs 10/- each	200,000,000
Total	200,000,000
<u>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</u>	
18,616,926 Equity Shares of Rs 10/- each	186,169,260
Total	186,169,260

4. Exclusions and Limitations

During the course of work we have relied upon the valuation report of **Valuer** as provided to us and other documents.

Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was used during the course of our work. As such we have not performed any audit, review or examination of any of the historical or prospective information used and, therefore, does not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our report.

We express no view as to and our fairness opinion does not address the underlying business decision of any company to effect the proposed Scheme or the merits of the Scheme.

Our Fairness Opinion will not be offered to any section of the public to subscribe for or purchase any securities in or assets or liabilities of any company or business valued by us.



We assume no responsibility for revising or updating our opinion based on circumstances or events occurring after date hereof. Our Opinion is specific and is being issued as per requirement of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 in force as on the date.

This Fairness Opinion is prepared with a limited purpose / scope as identified / stated earlier and will be confidential being for use only to which it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction and any statutory or regulatory authority.

5. Conclusion

We have reviewed the Valuation Report for the proposed Scheme of Amalgamation. In our opinion, based on the Valuation Report, the Share Swap Ratio as recommended by the Valuer is **Fair and Reasonable**, for the Amalgamation of the Transferor Company (Post Demerger of its Infrastructure Management Business Undertaking into ADI Media Private Limited) into the Transferee Company.



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मर्चेंट बैंककार

FORM B

MERCHANT BANKER

भारतीय प्रतिभूति और विनियम बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

002699

(मर्चेंट बैंककार) विनियम, 1992
(MERCHANT BANKERS) REGULATIONS, 1992

(विभाग 8)
Regulation 8

Regulation 8A

रजिस्ट्रेशन प्रमाणपत्र
CERTIFICATE OF REGISTRATION

PERMANENT REGISTRATION

- 1. अर्थात्: मर्चेंट बैंककार को निम्नलिखित शर्तों के अधीन 1992 के अनुच्छेद 12 के अधिनियम (1) में उल्लिखित शर्तों के अधीन मर्चेंट बैंककार के रूप में रजिस्ट्रेशन प्रमाणपत्र प्रदान किया गया है।
- 2. In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder the Board hereby grants a certificate of registration to

EMKAY GLOBAL FINANCIAL SERVICES LIMITED
THE RUBY, 7TH FLOOR
SENAPATI BAPAT MARG, DADAR (W)
MUMBAI 400 026

का निम्नलिखित शर्तों के अधीन मर्चेंट बैंककार के रूप में रजिस्ट्रेशन प्रमाणपत्र प्रदान किया गया है - as a merchant banker in Category 'I' subject to conditions in the rules and in accordance with the regulations to carry out following activities :-

- 1. निधि प्रबंधन का कार्य निम्नलिखित शर्तों के अधीन मर्चेंट बैंककार को प्रदान किया गया है - Management of any issue, including preparation of prospectus, gathering information relating to the issue, determining financing structure, fix up of framework, final placement and refund of excess application money.
 - 2. निवेश सलाहकार - Investment Advisor
 - 3. निवेश का विश्लेषण - Underwriting of Issues
 - 4. निवेश प्रबंधन सेवाएं - Portfolio Management Services
 - 5. निधि प्रबंधन का कार्य निम्नलिखित शर्तों के अधीन मर्चेंट बैंककार को प्रदान किया गया है - Storage, Consultant or Advisor to any issue including corporate advisory services
 - 6. सलाहकार या सहायक - Consultant or Advisor
- नोट: अनुच्छेद 8 के अधिनियम (1) के अधीन प्रमाणपत्र प्रदान किया गया है। (Date whether or not applicable)

INM000011229

II. Registration Code for the merchant banker is INB/ This Certificate of Registration shall be valid for permanent unless suspended or cancelled by the Board

III. This Certificate shall be valid from

से 12 सितंबर 2013 को प्रभावी रहेगा और 1992 के अधिनियम (1) में उल्लिखित शर्तों के अधीन मर्चेंट बैंककार के रूप में रजिस्ट्रेशन प्रमाणपत्र प्रदान किया गया है - and may be renewed as specified in regulation 9 of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.

दिनांक
By order

MUMBAI



ROSHA CHOJER

भारतीय प्रतिभूति और विनियम बोर्ड

के लिए और उसके अधीन

For and on behalf of

Securities and Exchange Board of India

स्थान Place SEPTEMBER 12, 2013

दिनांक Date

