

## NOTICE OF 6<sup>th</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 6<sup>th</sup> (Sixth) Annual General Meeting (“AGM”) of the Members of **MPS Interactive Systems Limited** (“the Company”) will be held on Friday, 19 July 2024, at 05:15 P.M. (IST), through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) for which purpose the Registered Office of the Company, situated at RR Towers IV, Super A, 16/17, Thiru-VI-KA Industrial Estate, Guindy, Chennai, Tamil Nadu-600032, shall be deemed as the venue for the AGM, to transact the following businesses:

### ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2024 together with the reports of the Board of Directors and Auditors thereon.
2. To declare a Final Dividend of 2.85% i.e. INR 0.285/- per equity share on 6,20,00,000 equity shares of face value of INR 10/- each, for the Financial Year 2023-24.
3. To consider the re-appointment of Ms. Yamini Tandon (DIN:06937633), Non-Executive Director, who retires by rotation, and being eligible, offers herself for re-appointment.

By Order of the Board  
For MPS Interactive Systems Limited

*Sd/-*

Raman Sapra  
Company Secretary  
FCS: 9233

Place: Noida, Uttar Pradesh  
Date: 20 May 2024

### Registered Office:

RR Towers IV, Super A,  
16/17, Thiru-Vi- KA Industrial Estate,  
Guindy, Chennai - 600 032, Tamil Nadu  
CIN: U74999TN2018PLC122594  
E-mail:secretarial@mpslimited.com

### IMPORTANT NOTES:-

1. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 14/2020 dated 08 April 2020, and subsequent circulars issued by MCA, read with the latest General Circular No. 09/2023 dated 25 September 2023 (hereinafter collectively referred to as “MCA Circulars”) in relation to “Clarification on the holding of Annual General Meeting (“AGM”) through Video Conferencing (VC) or Other Audio Visual Means (OVAM)”, permitted for holding the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM.
2. Since this AGM is being held through VC/OAVM, the physical attendance of members has been dispensed with, accordingly, the facility to appoint proxies to attend and cast votes for the members is not available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed hereto. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. Members attending the AGM through the VC/OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Corporate members intending to send their duly authorized representatives to attend the AGM are requested to send a certified true copy of the Board Resolution together with their specimen signatures to the Company, authorizing their representative to attend and vote on their behalf in the Meeting to the Company at [secretarial@mpslimited.com](mailto:secretarial@mpslimited.com).
5. In terms of Section 152 of the Act, Ms. Yamini Tandon (DIN: 06937633) retires by rotation at the AGM and being eligible, offers herself for re-appointment.

Brief resume of Ms. Yamini Tandon which includes the nature of her expertise in specific functional areas, name of the companies in which Ms. Yamini Tandon holds Directorships and Memberships/Chairmanships of Board Committees, shareholding and relationships between Directors *inter-se*, as stipulated under Secretarial Standard on General Meetings, are provided in the Annexure to this Notice.

6. Members seeking any information with regard to Financial Statements or any matter to be placed at the AGM are requested to write to the Company at least 10 days before the meeting so that the information is made available by the management on the day of the meeting.
7. Pursuant to the amendments introduced in the Income Tax Act, 1961 ("the IT Act") vide Finance Act, 2020, w.e.f. 01 April 2020, dividend declared, paid, or distributed by a Company on or after 01 April 2020 is taxable in the hands of the shareholders. The Company shall, therefore, be required to deduct TDS/WHT at the time of payment of dividend at the applicable tax rates. The rates of TDS/WHT would depend upon the category and residential status of the shareholder.
8. Members may join the 6<sup>th</sup> AGM through the VC/OAVM Facility by following the Zoom Meeting link i.e. <https://us06web.zoom.us/j/7901256653>. The same shall be kept open for the Members from 05:00 PM (IST) i.e. 15 minutes before the time scheduled to start the 6<sup>th</sup> AGM and the Company may close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the 6<sup>th</sup> AGM.

By Order of the Board  
For MPS Interactive Systems Limited

*Sd/-*

Raman Sapra  
Company Secretary  
FCS: 9233

Place: Noida, Uttar Pradesh

Date: 20 May 2024

**Registered Office:**

RR Towers IV, Super A,  
16/17, Thiru- Vi-KA Industrial Estate,  
Guindy, Chennai - 600 032, Tamil Nadu  
CIN: U74999TN2018PLC122594  
E-mail:secretarial@mpslimited.com

**Annexure to the Notice**  
**(For Item No. 3)**

**Details of the Director seeking Re-appointment as required under Secretarial Standard on General Meetings (SS-2) issued by ICSI are furnished below:**

Name of Director	Ms. Yamini Tandon
DIN	06937633
Date of Birth	27 January 1986
Educational Qualifications	Graduation in Political Science and Post Graduate Program in Management from Indian School of Business, Hyderabad.
Date of Appointment (Initial)	24 May 2021
Nature of Expertise	Expert in post-merger integration and turnaround management, driving profitability through seamless business integration.
Directorships held in other companies in India #	MPS Interactive Systems Limited MPS Limited
Shareholding in the Company	Nil
Disclosure of relationships between directors inter-se	Mr. Rahul Arora, Chairman & CEO, is the spouse of Ms. Yamini Tandon.
Number of Board meetings attended during the year	5
* Chairpersonship / Membership of committees in other companies in India	MPS Limited <ul style="list-style-type: none"> <li>• Stakeholders Relationship Committee - Chairperson</li> <li>• Nomination and Remuneration Committee-Member</li> <li>• Corporate Social Responsibility Committee- Member</li> <li>• Risk Management Committee- Member</li> </ul>

# Directorship indicates directorship in Indian Public Companies including MPS Interactive Systems Limited.

\* Chairpersonship/ Membership of committees indicates Chairpersonship/ Membership of committees in Indian Public Companies including MPS Interactive Systems Limited.

## Directors' Report

To  
The Members,

Your Directors are pleased to present the 6<sup>th</sup> Annual Report on the business and operations of the Company along with the Audited financial statements for the financial year ended 31 March 2024.

### 1. FINANCIAL SUMMARY AND STATE OF COMPANY AFFAIRS

The Company's financial performance for the year under review along with the previous year's figures are summarized below:

(INR in Lacs)

Particulars	For the year ended 31.03.2024	For the year ended 31.03.2023
Revenue from operations	8,275.07	10,032.08
Other Income	308.22	214.52
<b>Total Income</b>	<b>8,583.29</b>	<b>10,246.59</b>
<b>Total Expenses</b>	<b>7,336.49</b>	<b>7,752.51</b>
Finance Charges	246.11	130.21
Depreciation and amortization expense	394.90	473.20
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	1,579.59	2,882.97
<b>Profit Before Tax (PBT)</b>	<b>1,246.80</b>	<b>2,494.08</b>
Provision for Tax	264.97	661.97
<b>Net Profit After Tax</b>	<b>981.83</b>	<b>1,832.11</b>
Total other comprehensive income for the year, net of tax	(13.68)	(1.97)
Total comprehensive income for the year	968.15	1,830.14
Earnings per equity share (nominal value of share INR 10) (Expressed in absolute amount in INR)		
Basic	1.58	2.96
Diluted	1.58	2.96

### 2. OPERATIONAL HIGHLIGHTS

Your Company is an emotionally intelligent learning design company and experience in designing digital learning and performance support solutions that drive performance gains and maximize training ROI and ROE.

The revenue of the Company for the year ended 31 March 2024 was INR 8,275.07 Lacs, as compared to INR 10,032.08 Lacs, during the previous year. The profit before tax for the year ended 31 March 2024 was INR 1,246.80 Lacs and the profit after tax and before other comprehensive income was INR 981.83 Lacs as compared to the previous year's profit before tax of INR 2,494.08 Lacs and profit after tax and before other comprehensive income of INR 1,832.11 Lacs.

### 3. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company for the year under review.

#### **4. DIVIDEND**

The Board of Directors of the Company, in their meeting held on 20 May 2024, had recommended a final Dividend of 2.85% i.e. INR 0.285/- per equity share of the face value of INR 10/- each. The Final dividend, if approved by the shareholders, would be paid within 30 days from the date of the AGM.

#### **5. TRANSFER TO RESERVES**

Your directors do not propose to transfer any amount to the general reserve and the entire amount of profit for the year forms part of the 'Retained Earnings'.

#### **6. SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS**

During the year, the Company has acquired 65% of the shares held by the shareholders of each entity of Liberate Group i.e. Liberate Learning Pty Ltd (Australia), Liberate eLearning Pty Ltd (Australia), App-eLearn Pty Ltd (Australia), and Liberate Learning Limited (New Zealand) ("Liberate Group"), by executing Share Purchase Agreement ("SPA") dated 31 August 2023 and as a result, Liberate Group became the subsidiary of the Company.

Further pursuant to Rule 6 of Companies (Accounts) Rules, 2014, amended by Companies (Accounts) Amendment Rules, 2016 dated 27 July 2016, the Company is exempted from preparing the consolidated financial statements as MPS Limited (Holding Company) of the Company, prepare and submit the consolidated financial statements with the Registrar of Companies.

#### **7. NAME OF COMPANIES THAT HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES, OR ASSOCIATE COMPANIES, DURING THE YEAR**

During the year, on 31 August 2023, MPS Interactive Systems Limited acquired 65% shares held by the shareholders of each entity of Liberate Group i.e. Liberate Learning Pty Ltd (Australia), Liberate eLearning Pty Ltd (Australia), App-eLearn Pty Ltd (Australia), and Liberate Learning Limited (New Zealand) ("Liberate Group"), and as a result, Liberate Group became the step-down subsidiary of the Company.

#### **8. MERGER/AMALGAMATION**

During the year, E.I. Design Private Limited ("**E.I. Design/Transferor Company**") and MPS Interactive Systems Limited ("**MPSI/Transferee Company**") approved the Scheme of Amalgamation in their respective Board Meetings held on 21 February 2023 and the same was also approved by their respective shareholders in their Extraordinary General Meeting held on 31 March 2023.

E.I. Design and MPSI had received the requisite no-objections from the Official Liquidator, Chennai, and Registrar of Companies Chennai, Tamil Nadu, in relation to the merger of the Transferor Company into and with the Transferee Company. Thereafter, the Regional Director, Chennai vide its order No. CP No.13/S.233/2023-24 dated 06 June 2023 ("**Order**") had approved the Scheme of Amalgamation of E.I. Design into and with MPSI.

In terms of the provisions of the Companies Act 2013, E.I. Design and MPSI had filed the aforesaid Order with the Registrar of Companies, Chennai, in the prescribed e-Form INC-28 on 24 June 2023 ("**Effective Date**"). Pursuant to the aforesaid, Registrar of Companies, Chennai approved e-Form INC-28 on 27 June 2023, and consequently, the 'company status (for e-filing)' of E.I. Design on the portal of the Ministry of Corporate Affairs, was changed to 'Amalgamated'.

## 9. TRANSFER OF UNCLAIMED/SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

There is no dividend that is due for transfer to the Investor Education and Protection Fund and hence, the provisions of this section are not applicable.

## 10. SHARE CAPITAL

The paid-up equity share capital of the Company as of 31 March 2024 is INR 6,200.00 Lacs. During the financial year 2023-24, there has been no change in the authorized, issued, subscribed, and paid-up equity share capital of the Company. Further, the Company has no other type of securities except equity shares forming part of the Share Capital of the Company.

## 11. THE DETAILS OF DIRECTORS, AND KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR RESIGNED DURING THE YEAR

### Director Retiring by Rotation

Pursuant to Section 152 of the Companies Act, 2013, and the Articles of Association of the Company, Ms. Yamini Tandon (DIN:06937633), retires by rotation at the ensuing AGM of the Company and being eligible, offers herself for re-appointment. Accordingly, a resolution is included in the Notice of the 6<sup>th</sup> AGM of the Company, seeking approval of members for her reappointment as a Director of the Company.

### Changes in the Board

During the year, there was no change in the composition of the Board of Directors of MPS Interactive Systems Limited.

### Board Composition

As of 31 March 2024, the Company's Board has the strength of 3 (Three) Directors including 1 (One) Woman Director. The Chairman of the Board is an Executive Director. The composition of the Board is as below:

Category	Number of Directors
Executive Director	1
Independent Non-Executive Director	1
Non-Independent Non-Executive Director	1

### Key Managerial Personnel

During the year under review, there were no changes in the Key Managerial Personnel (KMPs) of the Company.

The details of KMPs of the Company in accordance with Section 2(51) and Section 203 of the Companies Act, 2013, read with rules framed thereunder, as of 31 March 2024, are as follows:

S.No.	Name of KMPs	Designation
1.	Mr. Rahul Arora	Chairman and CEO
2.	Mr. Sunit Malhotra	Chief Financial Officer
3.	Mr. Raman Sapra	Company Secretary

## 12. BOARD MEETINGS

The Board of the Company met 5 (Five) times during the financial year 2023-24, i.e. on 15 May 2023, 07 July 2023, 31 July 2023, 25 October 2023, and 22 January 2024, to transact the business of the Company. The time gap between any two consecutive Board Meetings did not exceed 120 days.

Name of the Director	Number of Meetings entitled to attend	Number of Board Meetings attended
Mr. Rahul Arora	5	5
Mr. Ajay Mankotia	5	5
Ms. Yamini Tandon	5	5

## 13. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, and Companies (Management and Administration) Rules, 2014, the Annual Return of the Company containing the particulars as prescribed under Section 92 of the Companies Act, 2013, in Form MGT-7, is available on the Company's website at the web link <https://www.eidesign.net/>.

## 14. DEPOSITS

During the year, your Company has not accepted any deposits within the meaning of Sections 73 and 74 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

## 15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

The Company is in compliance with Section 186 of the Companies Act, 2013, in respect of loans and investments made by the Company, as applicable. The particulars of the same have been disclosed in the notes to the financial statements of the Company, forming part of the Annual Report.

During the year the shareholders of the Company in their Extra-ordinary General Meeting on 07 July 2023 approved to make acquisitions, Inter-Corporate Loans, Investments, and Guarantees directly or indirectly but at any time not exceeding INR 200 Crores (Rupees Two Hundred Crores only) and also to borrow and avail money in excess of the limits prescribed under Section 180(1)(c) of the Act, subject to the maximum limit of not exceeding INR 200 crores (Rupees Two Hundred Crores only) in excess of the Paid-up Share Capital, free reserves and securities premium of the Company.

During the year, the Company received a loan of INR 2,000 Lacs from MPS Limited, Holding Company, for the acquisition of 65% shares held by the shareholders of each entity of "Liberate Group" i.e. Liberate Learning Pty Ltd (Australia), Liberate eLearning Pty Ltd (Australia), App-eLearn Pty Ltd (Australia), and Liberate Learning Limited (New Zealand).

## 16. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge, hereby state and confirm the following:

- a. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b. the Directors had 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 of the Company for that period;

- c. the Directors had 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 had prepared these Annual Accounts on a going concern basis;
- e. The Directors had 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and generally operating effectively.

## **17. INTERNAL FINANCIAL CONTROLS (IFC) SYSTEM AND THEIR ADEQUACY**

The Company has well-equipped and effective internal control systems in place that match the scale of its sector and the complexity of the market it works in. Internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization, and ensuring compliance with corporate policies.

The Board of the Company is undertaking a comprehensive system of internal audits and periodic assessments to ensure compliance with best practices. The Company has laid down Internal Financial Controls as detailed in the Companies Act, 2013.

For the Financial year 2023-2024, the Company had availed services of PricewaterhouseCoopers Private Limited ('PWC'), the Internal Auditors of the Company to verify and report on the operational and financial controls of the Company and M/s. Walker Chandiook & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company to report on the financial statements of the Company.

The Internal Audit team of PWC conducts quarterly internal audits across the Company, which include a review of the operating effectiveness of internal controls.

## **18. STATUTORY AUDITORS AND AUDIT REPORTS**

### **Statutory Auditors**

Pursuant to Section 139(1) of the Companies Act, 2013, M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), was appointed as the Statutory Auditors of the Company by the Shareholders at the 3<sup>rd</sup> Annual General Meeting ("AGM") of the Company for a period of 5 years i.e. to hold office till the conclusion of the 8<sup>th</sup> AGM to be held in the calendar year 2026.

### **Statutory Auditors' Report**

The Auditor's Report on the Financial Statements of the Company for the financial year ended 31 March 2024 read with relevant Notes thereon is self-explanatory and therefore does not call for any further explanations. The Auditors' Report does not contain any qualification, reservation, or adverse remark.

### **Details in respect of frauds reported by Auditors**

During the year under review, the Statutory Auditors have not reported any matter under the second proviso of Section 143(12) of the Companies Act, 2013, and therefore no details are required to be disclosed under Section 134 (3)(ca) of the Companies Act, 2013.

## **19. SECRETARIAL AUDIT**

Pursuant to Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. R. Sridharan & Associates, Practicing Company Secretaries, the Secretarial Auditors of the Company, had carried out the Secretarial Audit of the Company, for the financial year 2023-24. The Secretarial Audit Report as given by the Secretarial Auditors, in Form No. MR-3 is annexed to this Report as “Annexure-A”.

The Secretarial Auditors have not expressed any qualification, reservation, or adverse remark in their report and the report is self-explanatory. The Secretarial Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013, and therefore no details are required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

## **20. FORMAL ANNUAL EVALUATION**

Pursuant to Section 134(3)(p) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, All the listed Companies and public companies having a paid-up share capital of INR 25 Crores or more calculated at the end of the preceding financial year, shall include in the report by its Board of Directors, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and Individual Directors.

The Directors in the Holding Company (i.e. MPS Limited) and the Company are common; the performance evaluation of the Directors and the individual directors has already been carried out by the Holding Company.

## **21. HOLDING COMPANY**

MPS Limited is the Holding Company and holds 100% shares of the Company.

## **22. CORPORATE SOCIAL RESPONSIBILITY**

MPS Interactive Systems Limited has been an early adopter of Corporate Social Responsibility (“CSR”) initiatives. In terms of the provisions of Section 135 of the Act, the Company has not constituted a CSR Committee as the CSR amount spent by the Company did not exceed fifty lakh rupees. The Company has also formulated a CSR Policy which is available on the website of the Company viz <https://www.eidesign.net/csr/>.

During the year, your Company spent INR 44 Lacs on CSR activities which is more than 2% of the average of the net profits of the Company during the past three financial years. In accordance with the provisions of Section 134(3)(o) of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, a report on Corporate Social Responsibility covering a brief extract of the CSR policy of the Company and the CSR projects undertaken during the financial year 2023-24, is annexed as “Annexure-B” to this Report.

## **23. AUDIT COMMITTEE**

In terms of section 2 (87) of the Companies Act 2013, MPS Interactive Systems Limited is a wholly owned subsidiary of MPS Limited and the Company is exempted from constituting an Audit Committee under sub-rule 2 of rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014.

## **24. NOMINATION AND REMUNERATION COMMITTEE**

In terms of section 2 (87) of the Companies Act 2013, MPS Interactive Systems Limited is a wholly owned subsidiary of MPS Limited, and the Company is exempted from constituting Nomination and Remuneration Committee under sub-rule 2 of rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014.

## **25. CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION AND FOREIGN EXCHANGE EARNINGS AND OUT-GO**

Pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the following information is provided:

### **A. Conservation of Energy:**

Your Company is not an energy-intensive unit and thus disclosure requirements with respect to Conservation of Energy are not applicable. However, continuous efforts are made to conserve energy in the operations of the Company.

### **B. Technology Absorption**

Particulars regarding Technology Absorption are annexed to this Report as “Annexure- C”.

### **C. Foreign Exchange earnings and Outgo**

During the year under review, foreign exchange earned through exports was INR 7,524.48 Lacs as against INR 8,273.32 Lacs for the previous period ended 31 March 2023. Foreign exchange outgo was Rs INR 879.72 Lacs as against INR 1,051.94 Lacs for the previous period ended on 31 March 2023. Thus, the net foreign exchange earned by the Company during the year ended 31 March 2024 was INR 6,644.76 Lacs.

## **26. RELATED PARTY TRANSACTIONS**

All related party transactions entered during the financial year 2023-24, were in the ordinary course of business and on an arm's length basis and are in accordance with the provisions of the Companies Act, 2013, rules made thereunder, and applicable Accounting Standards.

During the year, the Company has not entered into any related party transaction that had a conflict with that of the Company at large. Further, the Company has not entered into any material related party transactions, as specified in Section 188(1) of the Companies Act, 2013, with any of its related parties. The details of related party transactions as entered into by the Company are disclosed in the financial statements of the Company.

Further, pursuant to the provisions of Section 188 of the Companies Act, 2013, read with rules framed thereunder, the disclosure of particulars of contracts/arrangements with related parties in Form AOC-2, is annexed to this Report as “Annexure-D”.

## **27. RISK MANAGEMENT POLICY**

Your Company has a robust mechanism to review business risks and has been taking steps to mitigate such risks. The Company's management systems, organizational structure, processes, standards, and behavior together form a system that governs how the Company conducts its business and manages the associated risks.

## **28. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

## **29. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a Policy on Prevention and Prohibition of Sexual Harassment at the Workplace and has also put in place a redressal mechanism for resolving complaints received with respect to sexual harassment. Internal Complaints Committee 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, no complaint was received from Noida, Mumbai, Kolkata, Chennai, and Bengaluru Branch.

## **30. THE DETAIL OF THE APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

During the year, no application was made or any proceeding pending under the insolvency and bankruptcy code, 2016 (31 of 2016) during the year along with their status as of the end of the Financial Year.

## **31. SIGNIFICANT AND MATERIAL ORDERS PASSED BY ANY REGULATORS OR COURT**

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in the future.

## **32. SIGNIFICANT DEVELOPMENTS AFTER THE CLOSE OF THE FINANCIAL YEAR**

No significant change or development, that could affect the Company's financial position, has occurred during the end of the financial year and the date of this Report.

## **33. OTHER DISCLOSURES**

There were no transactions on the following matters during the year under review and hence no reporting or disclosure is required:

- Issue of equity shares with differential rights as to dividend, voting, or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except the Employees' Stock Option Scheme referred to in this Report.
- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of a one-time settlement with any Bank or Financial Institution.

### 34. ACKNOWLEDGMENTS

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 of 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

Place: Florida, USA  
Date: 20 May 2024

*Sd/-*  
Rahul Arora  
Chairman & CEO  
DIN: 05353333

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024**

**[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**  
CIN: U74999TN2018PLC122594  
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] for the financial year ended 31<sup>st</sup> March, 2024. 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 for the financial year ended 31<sup>st</sup> March, 2024 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 31<sup>st</sup> March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (Not applicable as the Company is an Unlisted Public Company);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; (Not applicable during the year under review);
- (iv) The Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investments. There was no Foreign Direct Investment and External Commercial Borrowings during the year under review;
- (v) Since the Company is an unlisted Company, the following Regulations (a to i) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the company during the period under review.
  - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

- f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - g) 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;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
  - i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
- (vi) The Management of the Company identified and confirmed the following Laws/ Rules are specifically applicable to them:
- 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 believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the systems and mechanisms established by the Company are adequate to ensure compliance of laws as mentioned above.

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

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) (revised effective from October 1, 2017) and Guidance Note on Meetings of the Board of Directors and

(ii) The Listing Agreement entered with Stock Exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Not applicable as the Securities of the Company are not listed on any Stock Exchange).

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 Director, Non-Executive Director and Independent Director of MPS Limited, the holding Company, on the Board of the Company as per Regulation 24 of the Listing Regulations. There were no changes in the composition of the Board of Directors during the financial year under review.

Adequate notice is given to all directors to schedule 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 Meetings of the Board of Directors are complied with. The Directors participated through video conferencing or other audio visual means during the period under review, the necessary compliances of Rule 3 of the Companies (Meetings of Board and its powers) Rules, 2014 have been complied with. Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs and other relevant regulatory authorities in view of the pandemic pertaining to General Meetings and other provisions of the Act, Rules and Regulations have been complied with by the Company.

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 dissented on the decisions taken at such Board Meetings. Further, as per the minutes of the general meetings duly recorded and signed by the Chairman, the decisions were unanimous and no dissenting views have been recorded.

**We further report that** based on review of compliance mechanism established by the Company and to the best of our information and according to explanations given to us by the Management and also on the basis of the Compliance certificates issued by the Chief Financial Officer and Company Secretary under various statutes as mentioned above in clause (vi) 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** as per the information and explanations provided by the Management, the company is a material unlisted wholly owned subsidiary of MPS Limited (Listed entity) as per Regulation 24A read with Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**We further report that** during the audit period the Company had:

1. Received confirmation order dated 06<sup>th</sup> June, 2023 from Regional Director, Ministry of Corporate Affairs, for the scheme of Amalgamation of E.I. Design Private Limited (“Transferor Company”) into and with MPS Interactive Systems Limited (“Transferee Company”).
2. Acquired 65% issued and paid-up share capital of each of the following entities i.e. Liberate Learning Pty Ltd (Australia), Liberate eLearning Pty Ltd (Australia), App-eLearn Pty Ltd (Australia), and Liberate Learning Limited (New Zealand). Consequent to the acquisition, these Companies have become the subsidiary of the Company.
3. Obtained approval of the members at their Extra-ordinary General Meeting held on 07<sup>th</sup> July, 2023:
  - a. To make acquisitions, Inter-Corporate Loans, Investments and Guarantees directly or indirectly but at any time not exceeding INR 200 Crores (Rupees Two Hundred Crores only).
  - b. To borrow and avail money in excess of the limits prescribed under Section 180(1)(c) of the Act, subject to the maximum limit of not exceeding INR 200 crores (Rupees Two Hundred Crores only) in excess of the Paid-up Share Capital, free reserves and securities premium of the Company.

**PLACE : CHENNAI**  
**DATE : 20 May 2024**

**For R.SRIDHARAN& ASSOCIATES**  
**COMPANY SECRETARIES**

**CS R.SRIDHARAN**  
**CP No. 3239**  
**FCS No. 4775**  
**PR NO.657/2020**  
**UIN: S2003TN063400**  
**UDIN: F004775F000370305**

*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**  
CIN:U74999TN2018PLC122594  
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 as per the Auditing Standards (CSAS-1 to CSAS-4) and Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. 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 as well as correctness of the values and figures reported in various disclosures and returns as required to be filed by the company under the specified laws.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**PLACE : CHENNAI**  
**DATE : 20 May 2024**

**For R.SRIDHARAN& ASSOCIATES**  
**COMPANY SECRETARIES**

**CS R.SRIDHARAN**  
**CP No. 3239**  
**FCS No. 4775**  
**PR NO.657/2020**  
**UIN: S2003TN063400**  
**UDIN: F004775F000370305**

**Annual Report on CSR Activities**  
**[Pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]**

**1. Brief outline of the CSR Policy of the Company**

Your Company believes that Corporate Social Responsibility is a means to achieve a balance of economic, environmental, and social imperatives while addressing the expectations of shareholders and all other stakeholders. The Company's vision is to empower people and communities to build self-reliance through technology while promoting the values of fairness, equity, and respect for human rights.

The objective of the CSR policy (the "Policy") of the Company is to lay down the guiding principles for the selection, implementation, monitoring, and evaluation of CSR activities as well as formulation of the Annual Action Plan, for ensuring growth and advancement of society and conservation of natural resources. The Company's CSR policy is aimed at demonstrating care for the community through its focus on education and health amongst the disadvantaged and marginalized cross-section of society.

**2. Composition of CSR Committee: Not Applicable**

**3. Provide the weblink(s) where the Composition of the CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company -**

Web link for Composition of CSR committee -Not Applicable

Web - link for CSR Policy - <https://www.eidesign.net/>

Web - link for CSR projects - <https://www.eidesign.net/csr/>

**4. Provide the executive summary along with web link (s) of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:- Not Applicable**

**5. (a) Average net profit of the company as per section 135(5) - INR 1738.18 Lacs**

**(b) Two percent of the average net profit of the company as per section 135(5) - INR 34.76 Lacs**

**(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - NIL**

**(d) Amount required to be set off for the financial year, if any - NIL**

**(e) Total CSR obligation for the financial year 2023-24 (7a+7b-7c) - INR 34.76 Lacs**

**6. (a) Amount spent on CSR Projects (both ongoing projects and other than ongoing projects) for the financial year 2023-24**

**Details of CSR amount spent against ongoing projects for the financial year 2023-24: Nil**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in INR)	Amount spent in the current financial Year (in INR)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
Not Applicable												

**Details of CSR amount spent against other than ongoing projects for the financial year 2023-24: INR 44 Lacs**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project (INR in Lacs)	Mode of Implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				District, State			Name	CSR registration number
1.	KHUSHII- Kinship for Humanitarian Social and Holistic Intervention in India	Promoting Education, including Special Education	No	PAN India	18.50	No	KHUSHII- Kinship for Humanitarian Social and Holistic Intervention in India	CSR00001135
2.	Association for People with Disabilities	Promoting Education, including Special	Yes	Bengaluru, Karnataka	12.80	No	Association for People with Disabilities	CSR00001544

		Education						
3.	Shree Girivanavasi Education Trust	Promoting Education, including	No	Mumbai, Maharashtra	5.20	No	Shree Girivanavasi Education Trust	CSR00011948
4.	KJ Somaiya Medical Trust	Promoting Education,	No	Mumbai, Maharashtra	5.00	No	KJ Somiah Medical Trust	CSR00004527
5.	MA Foundation	Empowering Women and Promoting Education	No	Mumbai, Maharashtra	2.50	No	MA Foundation	CSR00038528
<b>Total</b>					<b>44.00</b>			

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment: Nil

(d) Total amount spent or unspent for the Financial Year [(a)+(b)+(c): INR 44 Lacs

Total Amount Spent for the Financial Year (INR in Lacs)	Amount Unspent (INR in Lacs)				
	Total amount transferred to Unspent CSR Account as per Section 135(6)		The amount transferred to any fund specified under Schedule VII as per the second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
44	Nil	NA	NA	Nil	NA

(e) Excess amount for set off, if any: Nil

S.No.	Particular	Amount (INR in Lacs)
(i)	Two percent of the average net profit of the company as per Section 135(5)	34.76
(ii)	Total amount spent for the Financial Year	44.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	9.24
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	9.24

7. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

Sl. No.	Preceding Financial Year	Amount transferred to unspent CSR account under Section 135(6) (in INR)	Balance amount in Unspent CSR Account under Section 135(6) (in INR)	Amount spent in the financial year (in INR)	Amount transferred to a fund specified under Schedule VII as per second proviso to Section 135(5), if any Amount (in INR)	Amount remaining to be spent in succeeding financial years (in INR) Date of transfer	Deficiency, if any
Not Applicable							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: No, The Company has not directly created or acquired any capital asset through CSR spent during the financial year ended 31 March 2024. All CSR expenditure has been done through the implementing agencies.

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5): Not Applicable

For and on behalf of the Board of Directors

Place: Florida, USA  
Date: 20 May 2024

*Sd/-*  
Rahul Arora  
Chairman & CEO

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

1. Specific areas in which R & D was carried out by the Company	<ul style="list-style-type: none"> <li>• Exploring the potential of Volumetric 3D Videos to create immersive environments for various applications. These technologies are utilized in virtual tours, 3D and VR simulations, and games, enhancing narrator-driven experiences. They are particularly effective in health and safety training, where they demonstrate correct postures and processes to learners, ensuring a more engaging and educational experience.</li> <li>• Exploring the potential of AI-powered design assets to streamline design and production times for prototypes and projects, contingent on client approval. These tools are versatile for any project requiring illustrative or photorealistic approaches. Notable software includes DALL-E, Midjourney, and Firefly, which empower users to efficiently create high-quality visuals.</li> <li>• Work on a Windows-based network application (EXE) named ThrowSync. This application supports multi-user concurrent synced experiences across multiple devices. It supports standard 2D, 3D, and immersive VR solutions simultaneously.</li> </ul>
2. Benefits derived from the above R & D	<ul style="list-style-type: none"> <li>• Improved productivity</li> <li>• New offerings</li> <li>• Shorter Go-Live timeframe</li> <li>• Cost optimization</li> <li>• Creating differentiator</li> <li>• Enhanced user engagement and retention</li> </ul>
3. Future plan of action	<ul style="list-style-type: none"> <li>• Use of AI and ML in the training and development industry - research and adoption</li> <li>• Narrative design and drafts of scripts and storyboards are created faster by leveraging ChatGPT.</li> <li>• Analysis of analytics tools for incorporation in MPSi products to provide recommendations and insights based on data.</li> <li>• VR-based platform for multi-player game experience.</li> <li>• Working with Ultraleap motion controller for VR-based platform.</li> <li>• Need to R&amp;D on IOT devices for interaction with Unity for tracking and invoice content.</li> <li>• Need to R&amp;D for health and safety training, we focus on real-time posture correction by tracking and analyzing body posture using Kinect-like depth cameras or standard webcams integrated with AI. This is facilitated through tools like Unity, Python, and the Kinect SDK.</li> <li>• Need to develop a multi-player platform for collaborative games.</li> <li>• Need to R&amp;D on kinetic motion moving screens or find a partner who can help us with this technology.</li> <li>• Need to R&amp;D on Apple Vision Pro for developing VR-based app.</li> </ul>
4. Expenditure on R & D result	No expenditure on R&D this year

**Disclosure of Particulars with Respect to Technology Absorption, Adaptation and Innovation:**

<p>Efforts in brief made toward technology absorption, adaptation, and innovation.</p>	<ul style="list-style-type: none"> <li>• Upgrading the platform to the latest technology/libraries for longevity, scalability, and extensibility</li> <li>• Adopting industry standard (JSON) for metadata (moving from XML)</li> <li>• Use of the latest JavaScript framework (ReactJS) to create interactive. Intuitive and rich user interfaces with flexibility and extensibility for future updates</li> <li>• The SB Tool offers a comprehensive platform for creating storyboards, enabling teams to conduct all internal reviews within the tool itself. This tool allows for the creation of storyboards that closely replicate the actual look and feel of the final course. It features robust history management capabilities, ensuring that every change and iteration is recorded. Once finalized and updated with the necessary images, storyboards can be exported as SCORM packages, ready for upload into an LMS or LXP.</li> </ul>
<p>Benefits derived from the above</p>	<ul style="list-style-type: none"> <li>• Scalable, platform-independent, and secured solutions</li> <li>• Improved end-user experience</li> <li>• Improved productivity</li> </ul>
<p>Imported Technology</p>	<p>No technologies were imported</p>

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

**Place:** Florida, USA  
**Date:** 20 May 2024

*Sd/-*  
**Rahul Arora**  
**Chairman & CEO**

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

**1. Details of contracts or arrangements or transactions not on an arm's length basis: None; during the Reporting Period, All Transactions were on an Arm's Length Basis.**

- (a) Name(s) of the related party and nature of the relationship: **N.A.**
- (b) Nature of contracts/ arrangements/ transactions: **N.A.**
- (c) Duration of the contracts/ arrangements/ transactions: **N.A.**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
- (e) Justification for entering into such contracts or arrangements or transactions: **N.A.**
- (f) Date(s) of approval by the Board: **N.A.**
- (g) Amount paid as advances, if any: **N.A.**
- (h) Date on which the special resolution was passed in the general meeting as required under the first proviso to Section 188: **N.A.**

**2. Details of material contracts or arrangements or transactions at arm's length basis: None; during the Reporting Period, there was no material\* contract or arrangement.**

(\*As defined under SEBI Listing Regulations and adopted by the Board of Directors in the Policy on Related Party Transactions of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction/ transactions to be entered into individually or taken together with previous transactions during a Financial Year, exceeds INR 1000 Crore or 10% of the annual consolidated turnover of the Company as per the last audited Financial Statements of the Company, whichever is lower)

- (a) Name(s) of the related party and nature of the relationship: **N.A.**
- (b) Nature of contracts/ arrangements/ transactions: **N.A.**
- (c) Duration of the contracts/ arrangements/ transactions: **N.A.**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
- (e) Date(s) of approval by the Board, if any: **N.A.**
- (f) Amount paid as advances, if any: **N.A.**

For and on behalf of the Board of Directors

Place: Florida, USA  
Date: 20 May 2024

*Sd/-*  
Rahul Arora  
Chairman & CEO

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**Walker Chandiook & Co LLP**

L 41 Connaught Circus  
New Delhi 110001  
India

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## **Independent Auditor's Report**

### **To the Members of MPS Interactive Systems Limited**

#### **Report on the Audit of the Financial Statements**

#### **Opinion**

1. We have audited the accompanying financial statements of MPS Interactive Systems Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the 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.

# Walker Chandiook & Co LLP

## Independent Auditor's report to the members of MPS Interactive Systems Limited on the financial statements of for the year ended 31 March 2024 (Cont'd)

### Emphasis of Matter – Scheme of merger

4. We draw attention to Note 38 to the accompanying financial statements which describes that pursuant to the Scheme of Amalgamation (the 'Scheme') between the Company and its erstwhile wholly-owned subsidiary, namely, E.I Design Private Limited (referred to as 'transferor company') as approved by the Regional Director, Southern Region, Chennai vide order dated 06 June 2023, the transferor company has been amalgamated with the Company with effect from appointed date of 31 May 2022. The Company has accounted the business combination transaction in accordance with the Scheme in line with the accounting principles given under Appendix C of Ind AS 103, Business Combinations. Accordingly, the comparative financial information for the year ended 31 March 2023 has been restated in the accompanying financial statements to reflect the aforesaid business combination transaction from the date when the companies came under common control, as further described in the aforesaid note. Our opinion is not modified in respect of the above matter.

### Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors are responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

# Walker Chandiook & Co LLP

## Independent Auditor's report to the members of MPS Interactive Systems Limited on the financial statements of for the year ended 31 March 2024 (Cont'd)

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

9. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
10. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the 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 Board of Directors' 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 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; and
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. 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.

### Report on Other Legal and Regulatory Requirements

12. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
13. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

# Walker Chandiook & Co LLP

## Independent Auditor's report to the members of MPS Interactive Systems Limited on the financial statements of for the year ended 31 March 2024 (Cont'd)

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
- 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 except for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- c) The financial statements dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
- f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 14(b) above on reporting under section 143(3)(b) of the Act and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigation which would impact its financial position as at 31 March 2024;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;
  - iv.
    - a. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 43 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 43 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

# Walker Chandiook & Co LLP

## Independent Auditor's report to the members of MPS Interactive Systems Limited on the financial statements of for the year ended 31 March 2024 (Cont'd)

- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
  
- v. As stated in Note 41(b) to the accompanying financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
  
- vi. As stated in Note 42 to the financial statements and based on our examination which included test checks, the Company, in respect of financial year commencing on 01 April 2023, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in the software except that, audit trail features were not enabled at database level for the accounting software, to log any direct data changes, used for maintenance of all accounting records by the Company.

In respect of accounting software used for payroll processing of the Company, is operated by third-party software service provider. In the absence of any information on the existence of audit trail feature in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SSAE 21, Statement on Standards for Attestation Engagements), we are unable to comment on whether audit trail feature for direct changes made at database level was enabled and operated throughout the year. Also, audit trail feature for the changes made through application level are retained only for 365 days for such software.

### For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

### Rohit Arora

Partner

Membership No.: 504774

UDIN: 24504774BKEOAM4435

**Place:** New Delhi

**Date:** 20 May 2024

# Walker Chandio & Co LLP

## **Annexure I referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of MPS Interactive Systems Limited on the financial statements for the year ended 31 March 2024**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment and relevant details of right-of-use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not own any immovable property (including investment properties) (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.  
  
(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) The Company has not provided any loans or provided any advances in the nature of loans, or guarantee, or security to any other entity during the year. Accordingly, reporting under clauses 3(iii)(a) of the Order is not applicable to the Company.  
  
(b) The Company has not provided any guarantee or given any security or granted any loans or advances in the nature of loans during the year. However, the Company has made investment in 4 entities amounting to Rs. 4,445.93 lakhs (year-end balance Rs. 4,445.93 lakhs) and in our opinion, and according to the information and explanations given to us, such investments made are, prima facie, not prejudicial to the interest of the Company.
- (c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

# Walker Chandio & Co LLP

## Annexure I referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of MPS Interactive Systems Limited on the financial statements for the year ended 31 March 2024

- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted, guarantees and security provided by it.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end 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 statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Demand u/s 143(1)	38.11	AY 2023-24	Jurisdictional AO and Commissioner of Income Tax Appeals CIT(A)
Income Tax Act, 1961 (Former E.I. Design Private Limited)	Demand u/s 143(1)	69.04	AY 2023-24	
Goods and Service Tax Act	SCN u/s 73 and GST DRC-07	2.75	FY 2018-19 to FY 2020-21	Commissioner (Appeals)

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including confirmations received from banks/ financial institution and/or other lenders and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

# Walker Chandio & Co LLP

## Annexure I referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of MPS Interactive Systems Limited on the financial statements for the year ended 31 March 2024

- (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e)
- (f) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (g) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations 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, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly,

# Walker Chandiook & Co LLP

**Annexure I referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of MPS Interactive Systems Limited on the financial statements for the year ended 31 March 2024**

reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (CIC).
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Rohit Arora**  
Partner  
Membership No.: 504774  
UDIN: 24504774BKEOAM4435

**Place:** New Delhi  
**Date:** 20 May 2024

# Walker Chandiook & Co LLP

## Annexure II

### **Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of MPS Interactive Systems Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

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

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. 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 Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 if such controls operated effectively in all material respects.
4. 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 includes 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 financial statements, whether due to fraud or error.
5. 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**

6. 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.

# Walker Chandiok & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of MPS Interactive Systems Limited on the financial statements for the year ended 31 March 2024

## Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. 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.

## Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rohit Arora**

Partner

Membership No.: 504774

UDIN: 24504774BKEOAM4435

**Place:** New Delhi

**Date:** 20 May 2024

**MPS Interactive Systems Limited**  
**Balance Sheet as at 31 March 2024**  
(INR in Lacs, except share and per share data, unless otherwise stated)  
CIN:U74999TN2018PLC122594

Particulars	Note	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	200.75	288.29
Right-of-use assets	3.2	107.84	-
Goodwill	4	7,003.97	7,003.97
Other intangible assets	4	973.43	1,221.76
Investments	5(i)	4,445.93	-
Other financial assets	6 (i)	371.16	682.21
Non current tax assets (net)	7	182.48	201.68
Other non-current assets	8 (i)	-	105.88
<b>Total non-current assets</b>		<b>13,285.56</b>	<b>9,503.79</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	5(ii)	-	1,435.15
Trade receivables	9	1,589.30	1,728.82
Cash and cash equivalents	10 (i)	229.83	318.80
Bank balances other than cash and cash equivalents above	10 (ii)	-	833.00
Other financial assets	6 (ii)	231.87	107.90
Other current assets	8 (ii)	780.18	1,593.29
<b>Total current assets</b>		<b>2,831.18</b>	<b>6,016.96</b>
<b>TOTAL ASSETS</b>		<b>16,116.74</b>	<b>15,520.75</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	6,200.00	6,200.00
Other equity		3,489.65	2,515.26
<b>Total equity</b>		<b>9,689.65</b>	<b>8,715.26</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	13 (i)	1,010.00	1,071.15
Lease liabilities	13 (ii)	62.69	-
Other financial liabilities	15 (i)	553.71	-
Provisions	17 (i)	52.88	46.69
Deferred tax liabilities (net)	12	1,681.04	1,714.06
<b>Total non-current liabilities</b>		<b>3,360.32</b>	<b>2,831.90</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	13 (i)	190.00	292.82
Lease liabilities	13 (ii)	48.45	-
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	14	21.64	28.44
Total outstanding dues of creditors other than micro enterprises and small enterprises	14	175.65	453.15
Other financial liabilities	15 (ii)	160.16	215.15
Other current liabilities	16	2,384.90	2,940.40
Provisions	17 (ii)	85.97	43.63
<b>Total current liabilities</b>		<b>3,066.77</b>	<b>3,973.59</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,116.74</b>	<b>15,520.75</b>
Material accounting policies	2		
Notes to financial statements	3-43		
The accompanying notes form an integral part of financial statements.			

This is balance sheet referred to in our report of even date

For **Walker Chandio & Co LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 001076N/N500013

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

**Rohit Arora**  
Partner  
Membership Number: 504774  
Place : New Delhi  
Date : 20 May 2024

**Rahul Arora**  
Chairman, Chief Executive Officer &  
Whole Time Director  
DIN: 05353333  
Place : Florida, USA  
Date : 20 May 2024

**Ajay Mankotia**  
Director  
DIN: 03123827  
Place : New Delhi  
Date : 20 May 2024

**Sunit Malhotra**  
Chief Financial Officer  
Membership No : 084004  
Place : Noida, Uttar Pradesh  
Date : 20 May 2024

**Raman Sapra**  
Company Secretary  
Membership No :F9233  
Place : Noida, Uttar Pradesh  
Date : 20 May 2024

**MPS Interactive Systems Limited**  
**Statement of Profit & Loss for the year ended 31 March 2024**  
(INR in Lacs, except share and per share data, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from operations	18	8,275.07	10,032.07
Other income	19	308.22	214.52
<b>Total income</b>		<b>8,583.29</b>	<b>10,246.59</b>
<b>Expenses</b>			
Employee benefits expense	20	4,894.11	4,795.82
Finance costs	21	246.11	130.21
Depreciation and amortization expense	22	394.90	473.20
Other expenses	23	1,801.37	2,353.28
<b>Total expenses</b>		<b>7,336.49</b>	<b>7,752.51</b>
<b>Profit before tax</b>		<b>1,246.80</b>	<b>2,494.08</b>
<b>Tax expense:</b>			
Current tax	24	293.80	570.68
Adjustment of tax relating to earlier years	24	4.20	4.42
Deferred tax	12	(33.03)	86.87
<b>Total tax expenses</b>		<b>264.97</b>	<b>661.97</b>
<b>Profit for the year</b>		<b>981.83</b>	<b>1,832.11</b>
<b>Other comprehensive income</b>			
<b>Item that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of losses net defined benefit liability/assets		(3.00)	(2.63)
Income tax relating to items that will not be reclassified to profit or loss		0.76	0.66
<b>Item that will be reclassified subsequently to profit or loss</b>			
Exchange differences on translation of foreign operations		(11.44)	-
<b>Total other comprehensive loss for the year, net of tax</b>		<b>(13.68)</b>	<b>(1.97)</b>
<b>Total comprehensive income for the year</b>		<b>968.15</b>	<b>1,830.14</b>
<b>Earnings per equity share (nominal value of share INR 10)</b>			
- Basic and diluted (earnings per equity share expressed in absolute amount in Indian Rupees)	25	1.58	2.96
Material accounting policies	2		
Notes to financial statements	3-43		
The accompanying notes form an integral part of financial statements.			

This is statement of Profit and Loss referred to in our report of even date  
For **Walker Chandiok & Co LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 001076N/N500013

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

**Rohit Arora**  
Partner  
Membership Number: 504774  
Place : New Delhi  
Date : 20 May 2024

**Rahul Arora**  
Chairman, Chief Executive  
Officer & Whole Time Director  
DIN: 05353333  
Place : Florida, USA  
Date : 20 May 2024

**Ajay Mankotia**  
Director  
DIN: 03123827  
Place : New Delhi  
Date : 20 May 2024

**Sunit Malhotra**  
Chief Financial Officer  
Membership No : 084004  
Place : Noida, Uttar Pradesh  
Date : 20 May 2024

**Raman Sapra**  
Company Secretary  
Membership No : F9233  
Place : Noida, Uttar Pradesh  
Date : 20 May 2024

MPS Interactive Systems Limited  
Statement of change in equity for the year ended 31 March 2024  
(INR in Lacs, except share and per share data, unless otherwise stated)

A. Equity share capital

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance as at the beginning of the year	6,200.00	6,200.00
Changes in equity share capital during the year	-	-
<b>Balance as at the end of the year</b>	<b>6,200.00</b>	<b>6,200.00</b>

B. Other equity

Particulars	Reserve and Surplus		Other comprehensive income	Capital contribution from Holding Company	Total
	Capital Reserve	Retained earnings	Foreign currency translation reserve		
<b>Balance as at 01 April 2022</b>	<b>222.32</b>	<b>117.75</b>	-	-	<b>340.07</b>
Acquisitions through business combinations (refer note 38)	345.05	-	-	-	345.05
Profit for the year	-	1,832.11	-	-	1,832.11
Other comprehensive loss	-	(1.97)	-	-	(1.97)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,830.14</b>	<b>-</b>	<b>-</b>	<b>1,830.14</b>
<b>Balance as at 31 March 2023</b>	<b>567.37</b>	<b>1,947.89</b>	<b>-</b>	<b>-</b>	<b>2,515.26</b>
<b>Balance as at 01 April 2023</b>	<b>567.37</b>	<b>1,947.89</b>	<b>-</b>	<b>-</b>	<b>2,515.26</b>
Employee share based payment expenses	-	-	-	6.24	6.24
Profit for the year	-	981.83	-	-	981.83
Other comprehensive loss	-	(2.24)	(11.44)	-	(13.68)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>979.59</b>	<b>(11.44)</b>	<b>-</b>	<b>968.15</b>
<b>Balance as at 31 March 2024</b>	<b>567.37</b>	<b>2,927.48</b>	<b>(11.44)</b>	<b>6.24</b>	<b>3,489.65</b>

Notes:

1 Nature and purpose of other equity:

(i) **Retained earning:** This represents the cumulative profit of the Company.

(ii) **Capital Reserve:** Accumulated capital surplus not available for distribution of dividend and expected to remain invested permanently.

It represents following:

- Equity portion of 8% cumulative redeemable preference shares issued to MPS Limited (Holding company).

- Loss on redemption of preference shares on transaction with the shareholder.

- The Company had issued 2,20,00,000, 8% cumulative redeemable preference shares of face value of INR.10/- (INR Ten Only) per share as on 15 June 2018 aggregating to INR 2,200 lacs. As per the terms of preference shares revised vide AGM dated 23 July 2019 by way of special resolution, the Company called for redemption of all the preference shares and also paid the dividend on cumulative basis as due on the date of redemption, i.e., 1 June 2020. Loss on redemption of 8% cumulative redeemable preference shares being a transaction with the MPS Limited (parent company) has been transferred to Capital Reserve of INR 270.14 lacs.

- INR 345.05 lacs pertains to capital reserve acquired pursuant to the scheme of arrangements under the Companies Act, 2013 accounted under pooling of interest method and excess of fair value of net assets acquired over consideration paid in a business combination. This reserve is not available for distribution as dividend.

(iii) **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 Company dispose or partially dispose off its interest in a foreign operation through sale or abandonment of all, or part of, that foreign operation.

(iv) **Capital contribution from Holding Company:** The same is used to recognize employee share based payment reserve related to stock options issued to employees of the Company by MPS Limited (Holding Company).

Material accounting policies

2

Notes to financial statements

3-43

The accompanying notes form an integral part of financial statements.

This is statement of change in equity referred to in our report of even date

For **Walker Chandiook & Co LLP**

Chartered Accountants

ICAI Firm Registration Number: 001076N/N500013

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

**Rohit Arora**

Partner

Membership Number: 504774

Place : New Delhi

Date : 20 May 2024

**Rahul Arora**

Chairman, Chief Executive

Officer & Whole Time Director

DIN: 05353333

Place : Florida, USA

Date : 20 May 2024

**Ajay Mankotia**

Director

DIN: 03123827

Place : New Delhi

Date : 20 May 2024

**Sunit Malhotra**

Chief Financial Officer

Membership No : 084004

Place : Noida, Uttar Pradesh

Date : 20 May 2024

**Raman Sapra**

Company Secretary

Membership No : F9233

Place : Noida, Uttar Pradesh

Date : 20 May 2024

**MPS Interactive Systems Limited**  
**Cash Flows Statement for the year ended 31 March 2024**  
**(INR in Lacs, except share and per share data, unless otherwise stated)**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>A. Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>1,246.80</b>	<b>2,494.08</b>
Adjustments:		
Depreciation and amortisation expense	394.90	473.20
Interest income	(18.62)	(56.17)
Interest on income tax refund	(2.85)	(6.14)
Net gain on sale of current investment	(60.46)	(1.89)
Finance costs	246.11	130.21
Gain on sale/disposal/discard of property, plant and equipment (net)	-	(4.89)
Gain on investment carried at fair value through profit or loss	-	(20.07)
Allowances for expected credit loss and doubtful advances	208.79	40.92
Property, plant and equipment write off	-	0.71
Liabilities no longer required written back	(50.14)	-
Dividend Income	(175.96)	-
Change in fair value of financial instrument	35.16	-
Employee share based payment expenses	6.24	-
Unrealised foreign exchange loss (net)	(0.56)	(22.18)
<b>Operating cash flows before working capital changes</b>	<b>1,829.42</b>	<b>3,027.78</b>
Increase in trade receivables	(13.28)	(314.26)
(Increase)/Decrease in non current financial assets	158.09	(5.86)
(Increase)/Decrease in other financial assets	9.04	(10.25)
(Increase)/Decrease in other current assets	761.60	(421.51)
Decrease in other non current assets	105.88	1.60
Increase/(Decrease) in trade payables	(284.30)	85.88
Decrease in other financial liabilities	(33.53)	(43.04)
Increase/(Decrease) in other current liabilities	(555.49)	889.21
Increase/(Decrease) in provisions	45.53	(119.27)
<b>Cash generated from operations</b>	<b>2,022.95</b>	<b>3,090.27</b>
Income tax paid (net of refunds)	(275.19)	(648.52)
<b>Net cash generated from operating activities (A)</b>	<b>1,747.76</b>	<b>2,441.76</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment adjusted with capital creditors	(39.93)	(129.74)
Purchase of other intangible assets	-	(4.50)
Proceeds from sale of property, plant and equipment	-	5.81
Acquisition of business	-	(3,327.21)
Proceeds from sale of current investments	4,925.61	567.70
Purchase of current investments	(3,430.00)	(1,820.00)
Investment in term Deposit	(702.00)	(1,744.86)
Purchase of non current investments	(4,205.54)	-
Redemption of term Deposit	2,000.90	2,472.51
Interest received	61.56	55.20
<b>Net cash used in investing activities (B)</b>	<b>(1,389.39)</b>	<b>(3,925.09)</b>
<b>C. Cash flows from financing activities</b>		
Repayment of lease liabilities	(38.18)	-
Proceeds from Holding Company borrowings	2,000.00	1,500.00
Repayment of Holding Company borrowings	(2,163.97)	(136.05)
Finance costs paid	(245.19)	(125.96)
Dividend paid on preference share	-	-
Tax on dividend	-	-
<b>Net cash generated from / (used) in financing activities (C)</b>	<b>(447.34)</b>	<b>1,237.99</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(88.97)</b>	<b>(245.34)</b>
Effects of exchange differences on cash and cash equivalents held in foreign currency		
Cash and cash equivalents at the beginning of the year	318.80	564.14
<b>Cash and cash equivalents at the end of year (see below)</b>	<b>229.83</b>	<b>318.79</b>
<b>Components of cash and cash equivalents:</b>		
<b>Cash on hand</b>	-	0.22
<b>Balances with banks</b>		
- Current accounts	120.26	249.14
- EEFC accounts	109.57	69.44
	<b>229.83</b>	<b>318.80</b>

**Notes:**

Statement of Cash Flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

Material accounting policies	2
Notes to financial statements	3-43
The accompanying notes form an integral part of financial statements.	

This is cash flow statement referred to in our report of even date

**For Walker Chandiook & Co LLP**

Chartered Accountants  
ICAI Firm Registration Number: 001076N/N500013

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

**Rohit Arora**  
Partner  
Membership Number: 504774  
Place : New Delhi  
Date : 20 May 2024

**Rahul Arora**  
Chairman, Chief Executive Officer  
& Whole Time Director  
DIN: 05353333  
Place : Florida, USA  
Date : 20 May 2024

**Ajay Mankotia**  
Director  
DIN: 03123827  
Place : New Delhi  
Date : 20 May 2024

**Sunit Malhotra**  
Chief Financial Officer  
Membership No : 084004  
Place : Noida, Uttar Pradesh  
Date : 20 May 2024

**Raman Sapra**  
Company Secretary  
Membership No :F9233  
Place : Noida, Uttar Pradesh  
Date : 20 May 2024

## **MPS Interactive Systems Limited**

### **Notes forming part of the Financial Statements for the year ended 31 March 2024**

*(All amount in INR Lacs except share and per share data, unless otherwise stated)*

#### **1. Corporate Information**

MPS Interactive Systems Limited (“the Company”) is a public limited Company domiciled in India and incorporated on 10 May 2018 under the provisions of Companies Act, 2013 having its registered office located at RR Towers IV, Super A, 16/17, Thiru-vi-ka Industrial State, Guindy, Chennai-600032. The Company provides eLearning and platforms services through technology-enabled, futuristic, and highly scalable learning solutions. Our offerings span gamification, simulations, custom eLearning, augmented and virtual reality, animations, videos, and micro-learning.

The Company offers a diverse geographic spread with production facilities in Mumbai, Kolkata, and Chennai. The Company also operates with marketing offices in United States and Canada. The Company’s multi-location presence helps it in executing various customer requirements efficiently.

On 31 Aug 2023, the Company has acquired Liberate group of companies based in Australia.

#### **2. Material accounting policies**

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

##### **2.1 Basis of preparation of financial statements**

###### **a) Statement of compliance**

These 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 financial statements of the Company for the year ended 31 March 2024 were approved for issue in accordance with the resolution of the Board of Directors dated 20 May 2024.

###### **b) 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

- Certain financial assets and liabilities
- The net defined benefit asset/(liability) is recognized at the present value of defined benefit obligation less fair value of plan assets.

###### **c) 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.

## **MPS Interactive Systems Limited**

### **Notes forming part of the Financial Statements for the year ended 31 March 2024**

*(All amount in INR Lacs except share and per share data, unless otherwise stated)*

- Assessment of useful life of property, plant and equipment and intangible asset – refer note 2.3
- Estimated impairment of financial assets and non-financial assets – refer note 2.5 and 2.6
- Recognition and estimation of tax expense including deferred tax– refer note 2.11 and 12
- Estimation of obligations relating to employee benefits – refer note 27
- Fair value measurement – refer note 28
- Provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – refer note 33
- 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 2.8

#### **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 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 the 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.

## **MPS Interactive Systems Limited**

### **Notes forming part of the Financial Statements for the year ended 31 March 2024**

*(All amount in INR Lacs except share and per share data, unless otherwise stated)*

#### **2.3 Property, plant, and equipment (PPE) and Intangible assets**

##### **a) Property, plant, and equipment**

Property, plant, and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent 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) 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.

##### **c) Depreciation and amortisation methods estimated useful lives and residual value.**

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

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
- 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:

<b>Category of assets</b>	<b>Management estimate of useful life</b>	<b>Useful life as per schedule II</b>
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 property, plant and equipment, furniture & fixture and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

## **MPS Interactive Systems Limited**

### **Notes forming part of the Financial Statements for the year ended 31 March 2024**

*(All amount in INR Lacs except share and per share data, unless otherwise stated)*

#### **d) Derecognition**

A 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, other than those incurred in relation to the issue of debt or equity securities. 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.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as on the acquisition date. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

#### **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 exists, 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 groups 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 the 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 exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

## **MPS Interactive Systems Limited**

### **Notes forming part of the Financial Statements for the year ended 31 March 2024**

*(All amount in INR Lacs except share and per share data, unless otherwise stated)*

#### **2.6 Financial instrument**

A 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 except trade receivables 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 marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Trade receivables are recognised initially at the transaction price (as determined basis revenue recognition policy as mentioned in Note 2.8) unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

###### **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.

## **MPS Interactive Systems Limited**

### **Notes forming part of the Financial Statements for the year ended 31 March 2024**

*(All amount in INR Lacs except share and per share data, unless otherwise stated)*

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 categorization as an 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 an 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.

#### **Impairment of financial instruments**

The Company recognizes loss allowance using the expected credit loss (ECL) model for 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

## **MPS Interactive Systems Limited**

### **Notes forming part of the Financial Statements for the year ended 31 March 2024**

*(All amount in INR Lacs except share and per share data, unless otherwise stated)*

involvement. In that case, the Company also recognises an associated liability. The transferred assets 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 the Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss from derecognition is also recognised in the Statement of Profit and Loss.

#### **Derecognition**

Financial liability is derecognised when the obligation under the liability is discharged, 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.

#### **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.

### **2.7 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 the 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. 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 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.

## **MPS Interactive Systems Limited**

### **Notes forming part of the Financial Statements for the year ended 31 March 2024**

*(All amount in INR Lacs except share and per share data, unless otherwise stated)*

#### **2.8 Revenue recognition**

The Company derives revenue primarily from eLearning, platform solutions and related services. The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

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 the percentage-of-completion method ('POC method') of accounting with efforts incurred determining the degree of completion of the performance obligation.
- Revenue from time and material and job contracts is recognised on an 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 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 a 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 the transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customer's 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 the 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

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### **Notes forming part of the Financial Statements for the year ended 31 March 2024**

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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.

- 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 ss 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 contracts is recognised using the 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.

#### **2.9 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.

#### **2.10 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. 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, which is payable upon completion of 5 consecutive years of service or retirement (with minimum 5 years of service) whichever is earlier. The liability in

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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 by 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 during the period 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 a defined contribution plan. The 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 a defined contribution plan. The 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 the 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.

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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).

#### **2.11 Tax Expense**

Income tax expense comprises current and deferred tax. It is recognised in the 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 the 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.

The Company applies probability in assessing whether and how an uncertain tax position affects the taxable profits, tax bases and unused tax credits. Based on the technical merits, if the uncertain tax position is not probable to be sustained upon examination, the same is recognized as a tax expense. The Company includes interest and penalties related to uncertain tax position within income tax expenses.

## **MPS Interactive Systems Limited**

### **Notes forming part of the Financial Statements for the year ended 31 March 2024**

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#### **2.12 Dividend Distributions**

The Company recognizes a liability to make payment of dividends 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.

#### **2.13 Foreign currency transactions and translations**

##### **a) Functional and presentation currency**

The financial statements are presented in INR, 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 amounts 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.

#### **2.14 Leases**

The Company's lease asset classes primarily consist of cancelable leases for offices. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

As a lessee, the Company determines the lease term as the noncancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment of the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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### **Notes forming part of the Financial Statements for the year ended 31 March 2024**

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Lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

#### **2.15 Earnings per share**

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equities shares outstanding during the year. The weighted average number of equities shares outstanding during the year 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.

#### **2.16 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the year 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.

#### **2.17 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,

## **MPS Interactive Systems Limited**

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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 year 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.

#### **2.18 Recent Pronouncement**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 2023, as below:

- a) Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their material accounting policies. The Company has evaluated the amendment, and the impact of the amendment is insignificant in the standalone financial statements.
- b) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Company has evaluated the amendment and there is no impact on its standalone financial statements.
- c) Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

**MPS Interactive Systems Limited**

Notes forming part of Financial Statements for the year ended 31 March 2024

(INR in Lacs, except share and per share data, unless otherwise stated)

**3.1 Property, plant and equipment**

<b>Particulars</b>	<b>Plant and equipment</b>	<b>Furniture and fixtures</b>	<b>Total</b>
<b>Gross carrying value</b>			
<b>As at 1 April 2022</b>	<b>275.34</b>	<b>81.33</b>	<b>356.67</b>
Acquisitions through business combinations (refer note 38)	85.14	21.79	106.93
Additions	151.42	-	151.42
Disposals/adjustments	(4.94)	(2.44)	(7.38)
<b>As at 31 March 2023</b>	<b>506.97</b>	<b>100.68</b>	<b>607.65</b>
Additions	17.24	0.32	17.56
Disposals/adjustments	-	-	-
<b>As at 31 March 2024</b>	<b>524.21</b>	<b>101.00</b>	<b>625.21</b>
<b>Accumulated depreciation</b>			
<b>As at 1 April 2022</b>	<b>129.98</b>	<b>52.51</b>	<b>182.49</b>
Acquisitions through business combinations (refer note 38)	44.49	6.21	50.70
Depreciation charge for the year	80.10	11.82	91.93
Disposals/adjustments	(3.86)	(1.88)	(5.74)
<b>As at 31 March 2023</b>	<b>250.71</b>	<b>68.66</b>	<b>319.37</b>
Depreciation charge for the year	96.76	8.32	105.08
Disposals/adjustments	-	-	-
<b>As at 31 March 2024</b>	<b>347.47</b>	<b>76.98</b>	<b>424.45</b>
<b>Net carrying value</b>			
As at 31 March 2024	176.73	24.02	200.75
As at 31 March 2023	256.26	32.02	288.29

**MPS Interactive Systems Limited**

Notes forming part of Financial Statements for the year ended 31 March 2024

(INR in Lacs, except share and per share data, unless otherwise stated)

**3.2 Right-of-use asset**

<b>Particulars</b>	<b>Buildings (refer note 34)</b>	<b>Total</b>
<b>Gross carrying value</b>		
<b>As at 1 April 2022</b>	-	-
Acquisitions through business combinations (refer note 38)	82.70	82.70
Add: Additions during the year	-	-
Less: Disposals/adjustments during the year	51.69	51.69
Less:- Depreciation charge for the year	31.01	31.01
<b>As at 31 March 2023</b>	<b>0.00</b>	<b>0.00</b>
Add: Additions during the year	149.32	149.32
Less: Disposals/adjustments during the year	-	-
Less:- Depreciation charge for the year	41.48	41.48
<b>As at 31 March 2024</b>	<b>107.84</b>	<b>107.84</b>
<b>Net carrying value</b>		
As at 31 March 2024	<b>107.84</b>	<b>107.84</b>
As at 31 March 2023	0.00	0.00

**4. Goodwill and other intangible assets**

Particulars	Goodwill	Other intangible assets				Total	
		Trademark	Customer relationship	Order book	Non compete agreements		Computer software
<b>Gross carrying value</b>							
As at 1 April 2022	3,959.72	-	671.60	151.62	-	230.70	5,013.64
Acquisitions through business combinations (refer note 38)	3,044.25	417.64	567.75	-	372.54	17.80	4,419.98
Additions	-	-	-	-	-	4.50	4.50
Disposals/adjustments	-	-	-	-	-	-	-
<b>As at 31 March 2023</b>	<b>7,003.97</b>	<b>417.64</b>	<b>1,239.35</b>	<b>151.62</b>	<b>372.54</b>	<b>253.00</b>	<b>9,438.12</b>
Additions	-	-	-	-	-	-	-
Disposals/adjustments	-	-	-	-	-	-	-
<b>As at 31 March 2024</b>	<b>7,003.97</b>	<b>417.64</b>	<b>1,239.35</b>	<b>151.62</b>	<b>372.54</b>	<b>253.00</b>	<b>9,438.12</b>
<b>As at 1 April 2022</b>	-	-	514.83	151.62	-	195.67	862.12
Amortisation expense for the year	-	34.92	229.25	-	51.91	34.18	350.26
Disposals/adjustments	-	-	-	-	-	-	-
<b>As at 31 March 2023</b>	-	<b>34.92</b>	<b>744.08</b>	<b>151.62</b>	<b>51.91</b>	<b>229.85</b>	<b>1,212.38</b>
Amortisation expense for the year	-	41.76	136.00	-	62.09	8.49	248.34
Disposals/adjustments	-	-	-	-	-	-	-
<b>As at 31 March 2024</b>	-	<b>76.68</b>	<b>880.08</b>	<b>151.62</b>	<b>114.00</b>	<b>238.34</b>	<b>1,460.72</b>
<b>Net carrying value</b>							
As at 31 March 2024	7,003.97	340.96	359.28	-	258.54	14.66	7,977.40
As at 31 March 2023	7,003.97	382.72	495.28	-	320.63	23.15	8,225.73
	<b>As at</b>	<b>As at</b>					
<b>Net carrying value</b>	<b>31 Mar 2024</b>	<b>31 March 2023</b>					
Goodwill	7,003.97	7,003.97					
Other intangible assets	973.43	1,221.76					

**4(a) Impairment testing of goodwill**

For the purpose of impairment testing, goodwill is allocated to the Cash Generating Units (CGUs) 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 eLearning and platform segment is as follows:

Particulars	As at	As at
	31 March 2024	31 March 2023
eLearning	7,003.97	7,003.97
	<b>7,003.97</b>	<b>7,003.97</b>

For the purpose 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 including the cash flow projections. No probable scenario was identified where the CGU recoverable amount would fall below their carrying 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:

- The anticipated annual revenue growth and margin included in the cash flow projections, actual operating results and the 5 year approved business plan in all periods presented.
- The terminal growth rate 4% for the year ended 31 March 2024 (31 March 2023: 4%) representing management view on the future long-term growth rate.
- Discount rate of 18.5% for the year ended 31 March 2024 (31 March 2023: 18.5%) was applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on historical industry average and 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.

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**5(i) Non current investments**

Particulars	As at	
	31 March 2024	31 March 2023
<b>Investments carried at cost (refer note 35):</b>		
6,500 ordinary shares (31 March 2023: Nil) of AUD 0.001 each fully paid up of Liberate Learning Pty Ltd	4,200.52	-
7,800 ordinary shares (31 March 2023: Nil) of AUD 0.001 each fully paid up of App-eLearn Pty Ltd	0.42	-
13 ordinary shares (31 March 2023: Nil) of AUD 1 each fully paid up of Liberate eLearning Pty Ltd	244.81	-
1,300 ordinary shares (31 March 2023: Nil) of AUD 0.001 each fully paid up of Liberate Learning Ltd	0.17	-
	<b>4,445.93</b>	<b>-</b>

The Company has acquired Liberate Learning Group, on 31 August 2023. Liberate Learning Group provides digital learning solutions for medium to large enterprises. It creates innovative and engaging training processes that realign courses to new and changing workplace dynamics. Consequent to this acquisition, Liberate Learning Group, is a partially owned subsidiary of our company.

**(ii) Current investments**

Particulars	As at		As at	
	31 March 2024		31 March 2023	
	Units in '000	INR in Lacs	Units in '000	INR in Lacs
<b>Investment in mutual funds carried at fair value through profit or loss (unquoted, fully paid up)</b>				
Axis Liquid Direct Plan Growth	-	-	5.16	128.98
ABSL Liquid Fund - Direct Plan - Growth Option	-	-	39.74	144.27
HDFC Money Market Fund - Direct Plan - Growth	-	-	13.38	658.75
SBI Savings Fund-Direct Plan Growth	-	-	536.47	201.56
Tata Money Market Fund-Direct Plan Growth	-	-	7.44	301.59
	-	-	<b>602.19</b>	<b>1,435.15</b>

**6 Other financial assets**

Particulars	As at		As at	
	31 March 2024		31 March 2023	
<b>(i) Non Current (unsecured, considered good)</b>				
Security deposits			5.77	6.86
Derivative asset towards further stake acquisition in subsidiary (refer note 35)			312.94	-
Bank deposits held as margin money or security against guarantees			52.45	209.45
Bank deposits with more than 12 months maturity			-	465.90
			<b>371.16</b>	<b>682.21</b>
<b>(ii) Current (unsecured, considered good)</b>				
Security deposits			-	1.32
Interest accrued on deposits			7.83	50.78
Dividend Receivable			175.96	-
Other advances				
- Recoverable from related party (refer note 31)			36.00	0.34
- Other recoverable			12.09	55.46
			<b>231.87</b>	<b>107.90</b>

**7 Non-current tax assets (net)**

Particulars	As at	
	31 March 2024	31 March 2023
Advance income tax (net of provisions of INR 890.55 Lacs) (31 March 2023:INR 525.76 Lacs )	182.48	201.68
	<b>182.48</b>	<b>201.68</b>

MPS Interactive Systems Limited  
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8 Other assets		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>(i) Other non-current assets (unsecured, considered good)</b>		
Balances with government authorities		
-Service tax credit receivable	-	105.88
	-	<b>105.88</b>
<b>(ii) Other current assets (unsecured, considered good)</b>		
Contract assets		
Considered good	242.73	1,083.01
Advance to suppliers	17.40	43.27
Prepaid expenses	127.55	134.15
Balances with government authorities		
-Goods and services tax, credit	311.66	318.23
-Others	0.77	4.41
Other receivables	80.07	10.22
	<b>780.18</b>	<b>1,593.29</b>

9 Trade receivables		
Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables	1,574.17	1,728.82
Receivables from fellow subsidiary (refer note 31)	15.13	-
	<b>1,589.30</b>	<b>1,728.82</b>
<b>Trade receivables (unsecured)</b>		
Considered good	1,737.82	1,750.40
Less: Expected credit loss allowance (refer note 29 (ii) )	148.52	21.58
<b>Total trade receivables</b>	<b>1,589.30</b>	<b>1,728.82</b>

**Trade receivable ageing for the year ended 31 March 2024**

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivable-considered good	814.12	765.09	31.68	-	-	-	1,610.88
(ii) Undisputed trade receivable-which have significant increase in credit risk	-	-	-	126.94	-	-	126.94
(iii) Undisputed trade receivable-credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivable-considered good	-	-	-	-	-	-	-
(v) Disputed trade receivable-which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivable-credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>814.12</b>	<b>765.09</b>	<b>31.67</b>	<b>126.94</b>	<b>-</b>	<b>-</b>	<b>1,737.82</b>
Less: expected credit loss allowance (refer note 29 (ii) )							148.52
<b>Total</b>							<b>1,589.30</b>

**Trade Receivable ageing for year ended 31 March 2023**

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivable-considered good	990.33	728.73	27.90	3.44	-	-	1,750.40
(ii) Undisputed trade receivable-which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivable-credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivable-considered good	-	-	-	-	-	-	-
(v) Disputed trade receivable-which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivable-credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>990.33</b>	<b>728.73</b>	<b>27.90</b>	<b>3.44</b>	<b>-</b>	<b>-</b>	<b>1,750.40</b>
Less: expected credit loss allowance (refer note 29 (ii) )							21.58
<b>Total</b>							<b>1,728.82</b>

MPS Interactive Systems Limited  
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<b>10 Cash and bank balances</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>(i) Cash and cash equivalents</b>		
Balances with banks		
-In Current accounts	120.26	249.14
-In EEFC accounts	109.57	69.44
Cash on hand	-	0.22
	<b>229.83</b>	<b>318.80</b>
<b>(ii) Bank balances other than cash and cash equivalents above</b>		
Bank deposits with original maturity for more than 3 months but less than 12 months	-	833.00
	<b>-</b>	<b>833.00</b>
<b>Details of bank balances/deposits</b>		
Bank deposits with original maturity for more than 3 months but less than 12 months included under 'Other balances with banks' (refer note 10 (ii) )	-	833.00
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current financial assets' (refer note 6 (i) )	-	465.90
Bank deposits held as margin money or security against guarantees included under 'Other non-current financial assets' (refer note 6 (i) )	52.45	209.45
	<b>52.45</b>	<b>1,508.35</b>

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2024**  
**(INR in Lacs, except share and per share data, unless otherwise stated)**

**11 Share capital**

(i) Particulars	As at 31 March 2024		As at 31 March 2023	
	<b>Authorised</b>			
6,52,50,000 equity shares of INR 10 each fully paid up with voting rights*		6,525.00		6,525.00
2,50,00,000 preference shares of INR 10 each fully paid up with voting rights as per Section 47(2) of the Companies Act, 2013		2,500.00		2,500.00
		9,025.00		9,025.00

\*The authorised equity share capital has increased by 2,50,000 equity shares of due to merger of E.I. Designs Pvt Ltd.

**(ii) Reconciliation of the equity share outstanding at beginning and for the year ended 31 March 2024**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	INR in Lacs	Number	INR in Lacs
Equity shares (with voting rights) outstanding at the beginning of the year	62,000,000	6,200.00	62,000,000	6,200.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	62,000,000	6,200.00	62,000,000	6,200.00

**(iii) Rights, preferences and restrictions attached to equity shares and rights of preference share holders**

**Equity shares :** The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The equity shareholders 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 shareholders.

**(iv) Details of shares held by the holding company, the ultimate holding company**

Particulars	As at		As at	
	Number	INR in Lacs	Number	INR in Lacs
<b>Equity shares of INR 10 each fully paid up and held by</b>				
MPS Limited (holding company)	61,999,994	6,200	61,999,994	6,200
<b>Preference shares of INR 10 each fully paid up and held by</b>				
MPS Limited	-	-	-	-

**(v) Details of the promoters shareholders holding in the Company**

Promoter Name	As at 31 March 2024		As at 31 March 2023		% change during the year As at 31 March 2024
	No. of shares	% of total shares	No. of shares	% of total shares	
MPS Limited (holding company)*	62,000,000	100.00%	62,000,000	100.00%	-
<b>Total</b>	<b>62,000,000</b>		<b>62,000,000</b>		-

\*This include 6 shares held by the nominees on behalf of the Company which as at 31 March 2024 (31 March 2023 : 6 shares), represents 0.01% of total shareholding (31 March 2023: 0.01%)

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

Class of shares / Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number	% holding in that class of shares	Number	% holding in that class of shares
<b>Equity shares of INR 10 each fully paid up and held by</b>				
MPS Limited (Holding Company)	61,999,994	99.99%	61,999,994	99.99%
(excludes 6 shares held by nominees)				

**(vii) 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.

## 12 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 tax are as follows:

### Deferred tax assets:

Particulars	Expected credit loss allowance	Expenses allowable for tax purposes when paid	Lease assets net of lease liabilities	Others	Total
As at 1 April 2022	24.88	24.99	-	-	49.87
-Adjustment on account of business combination (refer note 38)	9.13	37.95	-	-	47.08
(Charged)/credited	-	-	-	-	
- to statement of profit and Loss	(17.99)	(36.64)	-	-	(54.63)
- to other comprehensive income					
As at 31 March 2023	16.02	26.30	-	-	42.32
- to statement of profit and Loss	34.85	8.34	0.83	0.04	44.06
- to other comprehensive income					
As at 31 March 2024	50.87	34.64	0.83	0.04	86.38

### Deferred tax liabilities:

Particulars	Difference between book balance and tax balance of property, plant and equipment/ Other intangible assets (including goodwill)	Gains on investment carried at fair value through profit or loss	Total
As at 1 April 2022	(972.13)	(0.22)	(972.35)
(Charged)/credited			
-Adjustment on account of business combination (refer note 38)	(751.80)		(751.79)
- to statement of profit and Loss	(28.02)	(4.22)	(32.24)
As at 31 March 2023	(1,751.95)	(4.44)	(1,756.38)
- to statement of profit and Loss	(15.47)	4.44	(11.03)
As at 31 March 2024	(1,767.42)	(0.00)	(1,767.42)

### Reflected in the Balance Sheet as follows:

	As at 31 March 2024	As at 31 March 2023
Deferred tax assets	86.38	42.32
Deferred tax liabilities	(1,767.42)	(1,756.38)
<b>Deferred tax liability (net)</b>	<b>(1,681.04)</b>	<b>(1,714.06)</b>

### Reconciliation of deferred tax (liability)/asset -net:

	As at 31 March 2024	As at 31 March 2023
Balance as at the commencement of the year	(1,714.07)	(922.49)
Credit during the year recognised in Statement of profit and loss	-	(704.71)
Expense during the year recognised in other comprehensive income	(33.03)	86.87
<b>Balance as at 31 March 2024</b>	<b>(1,681.04)</b>	<b>(1,714.07)</b>

MPS Interactive Systems Limited  
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<b>13 (i) Borrowings</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non-current liabilities</b>		
Loan from holding company (refer note 39)	1,010.00	1,071.15
	<b>1,010.00</b>	<b>1,071.15</b>
<b>Current liabilities</b>		
Loan from holding company (refer note 39)	190.00	292.82
	<b>190.00</b>	<b>292.82</b>

\* For terms of security ,rate of interest and repayment terms refer note 39.

<b>13 (ii) Lease liabilities</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non-current liabilities</b>		
Lease liabilities (refer note 34)	62.69	-
	<b>62.69</b>	
<b>Current liabilities</b>		
Lease liabilities (refer note 34)	48.45	-
	<b>48.45</b>	

<b>14 Trade payables</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>a) Trade payables - MSME</b>		
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note 26)	21.64	28.44
<b>Total (a)</b>	<b>21.64</b>	<b>28.44</b>
<b>b) Trade payables - other than MSME</b>		
Total outstanding dues of creditors other than micro enterprises and small enterprises	167.09	449.71
Trade payables to related parties (refer note 32)	8.56	3.44
<b>Total (b)</b>	<b>175.65</b>	<b>453.15</b>
<b>Total (a + b)</b>	<b>197.29</b>	<b>481.59</b>

**Trade Payable ageing for year ended 31 March 2024**

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro enterprises and small enterprises - MSME	1.15	20.49	-	-	-	-	-	21.64
(ii) Others	122.44	27.45	25.07	0.26	0.44	-	-	175.65
(iii) Disputed dues - MSME	-	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-	-
<b>Total</b>	<b>123.58</b>	<b>47.94</b>	<b>25.07</b>	<b>0.26</b>	<b>0.44</b>	<b>-</b>	<b>-</b>	<b>197.29</b>

**Trade Payable ageing for year ended 31 March 2023**

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro enterprises and small enterprises - MSME	6.77	15.22	6.45	-	-	-	-	28.44
(ii) Others	93.67	79.26	272.43	2.23	5.56	-	-	453.15
(iii) Disputed dues - MSME	-	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-	-
<b>Total</b>	<b>100.44</b>	<b>94.48</b>	<b>278.88</b>	<b>2.23</b>	<b>5.56</b>	<b>-</b>	<b>-</b>	<b>481.59</b>

<b>15 (i) Other financial liabilities (Non current)</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
Deferred Consideration	553.71	-
	<b>553.71</b>	

<b>15 (ii) Other financial liabilities (current)</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
Employee payable	155.50	132.06
Interest accrued but not due (refer note 31)	0.93	-
Capital Creditors	-	22.39
Others payable	3.73	60.70
	<b>160.16</b>	<b>215.15</b>

<b>16 Other current liabilities</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
Income received in advance (contract liabilities) (refer note 32 (iii))	2,261.91	2,784.91
Advances from customers	18.26	41.60
Statutory dues payable*	104.73	113.89
	<b>2,384.90</b>	<b>2,940.40</b>

\*includes goods and services tax, tax deducted at source, provident fund and employee state insurance, etc.

<b>17 Provisions</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>(i) Non Current</b>		
Provision for compensated absences (refer note 27)	52.88	46.69
	<b>52.88</b>	<b>46.69</b>
<b>(ii) Current</b>		
Provision for compensated absences (refer note 27)	10.42	17.55
Provision for gratuity (refer note 27)	75.55	26.08
	<b>85.97</b>	<b>43.63</b>

**MPS Interactive Systems Limited**

Notes forming part of Financial Statements for the year ended 31 March 2024

(INR in Lacs, except share and per share data, unless otherwise stated)

**18 Revenue from operations**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Sale of services (refer note 32)</b>		
Exports	7,524.48	8,273.32
Domestic	750.59	1,758.75
	<b>8,275.07</b>	<b>10,032.07</b>

**19 Other income**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income on:		
Financial assets-carried at amortised cost		
- Deposits with banks	18.62	56.17
Dividend income	175.96	
Interest on income tax refund	2.85	6.14
Net gain on sale of current investment carried at fair value through profit and loss	60.46	1.89
Net gain on foreign currency transactions	-	111.61
Other non-operating income (refer note (i) below)	50.33	38.70
	<b>308.22</b>	<b>214.52</b>

**Note (i) Other non-operating income comprises:**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Gain on sale of property, plant and equipment (net)	-	4.89
Gain on investment carried at fair value through profit and loss	-	20.07
Liabilities no longer required written back	50.14	-
Miscellaneous income	0.19	13.75
	<b>50.33</b>	<b>38.70</b>

**MPS Interactive Systems Limited**  
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**20 Employee benefits expenses**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages	4,668.04	4,537.19
Contribution to provident and other funds (refer note 27)	196.21	196.51
Staff welfare expenses	29.86	62.12
	<b>4,894.11</b>	<b>4,795.82</b>

**21 Finance costs**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on lease liabilities (refer note 34)	9.32	4.25
Interest expense on inter corporate borrowings	236.79	125.96
	<b>246.11</b>	<b>130.21</b>

**22 Depreciation and amortisation expense**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment (refer note 3.1)	105.08	91.93
Depreciation on right of use assets (refer note 3.2)	41.48	31.01
Amortization on intangible assets (refer note 4)	248.34	350.26
	<b>394.90</b>	<b>473.20</b>

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2024**  
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**23 Other expenses**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Outsourcing cost	505.71	1,420.60
Power and fuel	5.99	3.20
Rent	23.12	11.62
Repairs and maintenance - buildings	17.11	9.11
Repairs and maintenance - others	12.89	28.12
Insurance	0.30	18.87
Rates and taxes	4.46	0.91
Communication	13.25	14.04
Travelling and conveyance	91.62	75.73
Legal and professional	131.99	100.22
Sales and marketing expense	344.54	256.81
Software expense	298.03	280.84
Directors sitting fees	10.00	10.00
Payments to auditors (refer note (i) below)	27.17	28.36
Bad debts written off	30.34	39.01
Less: Allowances for expected credit loss utilised for the above	<u>(30.34)</u>	<u>39.01</u>
Allowances for expected credit loss and doubtful advances	208.79	40.92
Change in fair value of financial instrument	35.16	-
Net loss on foreign currency transactions	10.88	-
Expenditure on corporate social responsibility (refer note 36)	44.00	19.24
Miscellaneous expenses	16.36	34.71
	<b><u>1,801.37</u></b>	<b><u>2,353.28</u></b>

(i) Payments to the auditors comprises (net of GST credit, where applicable):	For the year ended 31 March 2024	For the year ended 31 March 2023
To statutory auditors		
for statutory audit	18.00	18.00
for tax audit	2.00	3.50
for other services	5.30	6.25
for reimbursement of expenses	1.87	0.61
	<b><u>27.17</u></b>	<b><u>28.36</u></b>

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2024**  
**(INR in Lacs, except share and per share data, unless otherwise stated)**

**24 Income tax**

The major components of income tax expense for the year ended 31 March 2024 and 31 March 2023 are:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Current income tax:</b>		
Current income tax charge for the year	293.80	570.68
Adjustments related to previous year	4.20	4.42
	<b>298.00</b>	<b>575.10</b>
<b>Deferred tax:</b>		
Deferred tax on profits for the year	(33.03)	86.87
<b>Total</b>	<b>(33.03)</b>	<b>86.87</b>
Income tax expense reported in the Statement of Profit and Loss	<b>264.97</b>	<b>661.97</b>
<b>Other comprehensive income section</b>		
Tax related to items that will not be reclassified to Profit and Loss	0.76	0.66
<b>Income tax charged to Other comprehensive income</b>	<b>0.76</b>	<b>0.66</b>

**Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2024 and 31 March 2023:**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Accounting profit before income tax	1,246.80	2,494.08
At India's statutory income tax rate	25.17%	25.17%
<b>Computed tax expense</b>	<b>313.79</b>	<b>627.71</b>
Non-deductible expenses	10.77	4.91
Additional allowances for tax purpose	(8.97)	-
Exempt Income	(44.28)	-
Tax relating to earlier years	4.20	4.42
Others	(10.53)	24.93
Income tax charged to Statement of Profit and Loss	<b>264.97</b>	<b>661.97</b>

Effective tax rate has been calculated on profit before tax.

**25 Earnings per equity share**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit for the year attributable to the equity holders of the Company	981.83	1,832.11
Weighted average number of equity shares outstanding	62,000,000	62,000,000
Face value per share (INR)	10	10
<b>Earnings per share- basic &amp; diluted (INR)</b>	<b>1.58</b>	<b>2.96</b>

**MPS Interactive Systems Limited****Notes forming part of Financial Statements for the year ended 31 March 2024****(INR in Lacs, except share and per share data, unless otherwise stated)****26 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 the year. 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.

<b>Particulars</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
(i) The principal amount remaining unpaid to any supplier as at Balance Sheet date	21.64	28.44
(ii) The interest due on principal amount remaining unpaid to any supplier as at Balance Sheet date	-	-
(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 period	-	-
(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 as at Balance Sheet date	-	-
(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	-	-

27 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, superannuation fund, employee state insurance (ESI) and labour welfare fund, scheme for qualifying employees. Under the schemes, the Company is required to fund specified percentage of payroll costs to the benefits. During the year, the Company has contributed following amounts to:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Employer's contribution to provident fund	182.87	178.18
Employer's contribution to superannuation fund	13.03	17.71
Employer's contribution to employee state insurance	0.24	0.53
Employer's contribution to labour welfare fund	0.07	0.09
	<b>196.21</b>	<b>196.51</b>

(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 7.17% (31 March 2023: 7.30%) 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 60 years and mortality table is as per IALM (2012-14).

The estimates of future salary increases, considered in actuarial valuation is 6% (31 March 2023: 6%) p.a., taking into account of inflation. 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 7.17% (31 March 2023: 7.30%) p.a.

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

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the beginning of the year	428.36	377.44
Current service cost	44.57	48.23
Interest cost	31.75	31.59
Liability transferred-in acquisition	6.52	135.35
Actuarial gain	2.13	4.40
Benefits paid	(49.81)	(168.66)
<b>Present value of obligation</b>	<b>463.52</b>	<b>428.36</b>

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

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of obligation	463.52	428.36
Fair value of plan assets	(387.97)	(402.29)
<b>Net (Assets) / liabilities recognised in the Balance Sheet</b>	<b>75.55</b>	<b>26.07</b>

The maturity profile of defined benefit obligation is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Within 1 year	105.17	58.08
1-2 year	55.43	55.36
2-3 year	51.73	51.23
3-4 year	53.28	49.20
4-5 year	43.68	49.57
5-10 years	194.00	204.12
More than 10 years	158.03	179.35

Fair Value of plan assets

Particulars	As at 31 March 2024	As at 31 March 2023
Plan assets at the beginning of the year	402.29	403.01
Expected return on plan assets	29.84	24.54
Assets acquired on acquisitions	6.52	120.96
Actual benefits paid	(49.81)	(147.99)
Actuarial gain/ (loss)	(0.87)	1.77
<b>Plan assets</b>	<b>387.97</b>	<b>402.29</b>

(C) Composition of the plan assets is as follows:

Particulars	As at 31 March 2023
Central government securities	36.23%
Other approved securities	0.35%
State government securities	43.45%
Government guaranteed securities	0.00%
Debentures and bonds	9.21%
Equity Shares	9.95%
Others, MF, Bank balance, etc	0.82%

The above composition of plan assets are based on details received for 31 March 2023. Details for 31 March 2024 are awaited from LIC.

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

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	44.57	48.23
Interest cost (Net of return on plan assets)	1.90	(1.63)
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>46.47</b>	<b>46.60</b>

Amount recognised in the other comprehensive income:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Actuarial loss/(gain) due to demographic assumption change	-	-
Actuarial loss/(gain) due to financial assumption change	2.13	(4.40)
Actuarial loss/(gain) due to experience adjustment	-	-
Actuarial (gain)/loss on plan assets	0.87	1.77
<b>Amount recognised in the other comprehensive income</b>	<b>3.00</b>	<b>(2.63)</b>

Sensitivity analysis

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Assumptions -discount rate</b>		
Sensitivity Level (a hypothetical increase / (decrease) by)	1.00%	1.00%
Impact on defined benefit obligation -increase of sensitivity level	(18.14)	(12.73)
Impact on defined benefit obligation -decrease of sensitivity level	19.86	13.66
<b>Assumptions -Future salary rate</b>		
Sensitivity level (a hypothetical increase / (decrease) by)	1.00%	1.00%
Impact on defined benefit obligation-increase of sensitivity level	19.56	12.81
Impact on defined benefit obligation-decrease of sensitivity level	(18.27)	(12.26)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the period 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.

(D) Other long term benefits (compensated absences):

Compensated absences

The liability towards compensated absences (annual leave and sick leave) for the year ended 31 March 2024 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by INR 63.30 lakhs (31 March 2023: 64.25).

(i) Financial Assumptions

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate	7.17%	7.30%
Salary Escalation Rate	6.00%	6.00%

(ii) Demographic Assumptions

Particulars	As at 31 March 2024	As at 31 March 2023
Mortality rate	IALM 2012-14 (Urban)	IALM 2012-14 (Urban)
Attrition rate		
For Grade A to D		
- For service 2 years and below	25.00%	25.00%
- For service 3 years to 4 years	15.00%	15.00%
- For service 5 years and above	10.00%	10.00%
For Grade E	5.00%	5.00%
Leave availment rate (For next year)		
For Grade A & B	6.00%	6.00%
For Grade C & D	4.00%	4.00%
For Grade E	1.50%	1.50%

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of obligation at the end of the year	63.30	64.25

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2024**  
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**(F) Share based payments**

During the year ended 31 March, 2023, the shareholders of MPS Limited, (the Holding Company) vide Postal Ballot Resolution dated 21 January 2023, had approved 'MPS Limited- Employee Stock Options Scheme 2023' ("ESOS 2023" or "Scheme") authorizing the Nomination and Remuneration Committee to grant to the eligible employees of the Holding Company and its subsidiary not exceeding 4,00,000/- (Four Lacs) employee stock options, convertible into not more than equal number of equity shares of face value of Rs. 10/- (INR Ten) each fully paid up upon exercise, out of which not more than 2,00,000 (Two Lacs) equity shares to be sourced from Secondary Acquisition, from time to time through an employee welfare trust namely 'MPS Employee Welfare Trust' ("Trust").

The Nomination and Remuneration Committee of the Board of Directors of the Holding Company at its meeting held on 11 April 2023, had considered and approved the grant of 24,980 (Twenty Four Thousand and Nine Hundred Eighty) options exercisable into not more than 24,980 (Twenty Four Thousand and Nine Hundred Eighty) of equity shares of the Holding Company of the face value of INR 10/- (INR Ten Only) each fully paid-up, to eligible employees of the Company under the Scheme.

**Description of the ESOS 2023**

Particulars	Terms
Vesting requirements	Options granted under this ESOS 2023 would vest in 4 (Four) equal tranches over a period of 4 (Four) years from the grant date. The options shall vest subject to continuous employment and achievement of performance conditions as specified at the time of grant.
Maximum term of options granted	The vested options under ESOS 2023 shall be exercised by the option grantee within the maximum exercise period of 5 (five) years from the date of vesting of options, or such other shorter period as may be prescribed by the committee at time of grant and as set out in the letter of grant.
Method of Settlement	Option under ESOS 2023 are equity settled.

**Number and Weighted average Exercise price of Options**

Sr. No	Particulars	ESOS 2023	
		Number of options	Wt. Avg Exercise Price
1	Outstanding at the beginning of the year	-	-
2	Granted during the year	24,980	900.05
3	Cancelled during the year	9,400	900.05
4	Forefeited/Lapsed during the year	-	-
5	Exercised during the year	-	-
4	Outstanding at the end of the year	15,580	900.05
5	Exercisable at the end of the period	-	-
6	Weighted Average share price of Options exercised during the year	No options were exercised during the year	

**Exercise price and weighted average remaining contractual life of Outstanding Options**

Scheme Name	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Exercise Price (Rs.)
ESOP 2023	15,580	6.53	900.05

**Fair Value of stock options granted**

The fair value of the options granted during the year was estimated using the Black Scholes method of valuation. The key assumptions used for calculating the option fair value are as below:-

Sr. No	Particulars	ESOS 2023
1	Grant date	11 April 2023
2	Risk Free Interest Rate	7.02%
3	Expected Life of share option	3.51-6.51 years
4	Expected Volatility	45.10%
5	Dividend Yield	3.33%
6	Price of the underlying share in market at the time of the option grant (INR)	900.05

**Expenses arising from share based payment transactions**

Total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:-

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Employee stock option scheme	6.24	-

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2024**  
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**28 Fair value measurements**

Particulars	Note	Level of hierarchy	As at 31 March 2024			As at 31 March 2023		
			FVTPL	FVOCI	Amortised cost	FVPL		Amortised cost
<b>Financial assets</b>								
Investments in mutual fund	(c)	1	-	-	-	1,435.15	-	-
Trade receivables	(a)		-	-	1,589.30	-	-	1,728.82
Cash and bank balances	(a)		-	-	229.83	-	-	1,151.80
Other financial assets	(a, b)	3	312.94	-	290.09	-	-	790.11
<b>Total financial assets</b>			<b>312.94</b>	<b>-</b>	<b>2,109.22</b>	<b>1,435.15</b>	<b>-</b>	<b>3,670.73</b>
<b>Financial liabilities</b>								
Trade payables	(a)		-	-	197.29	-	-	481.59
Borrowings	(d)	1	-	-	1,200.00	-	-	1,363.97
Lease liabilities	(a)		-	-	111.14	-	-	-
Contingent consideration	(e)	3	553.71	-	-	-	-	-
Other financial liabilities	(a)		-	-	160.16	-	-	215.15
<b>Total financial liabilities</b>			<b>553.71</b>	<b>-</b>	<b>1,668.59</b>	<b>-</b>	<b>-</b>	<b>2,060.70</b>

**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) The fair value of the mutual funds are based on net assets value of the funds as at reporting date.
- (d) The fair value of borrowings is INR 1,200 Lakhs based upon a discounted cash flow analysis that uses the aggregate cash flow from principal and finance costs over life of debt and current market interest rates.
- (e) 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.

(f) **Significant techniques and unobservable inputs used for Level 3 fair valuation measurement**

As at 31st March, 2024	Valuation techniques	Significant	Sensitivity of input to fair value measurement	
			Increase by	Decrease by
Fair Value of Contingent consideration	Scenario Analysis	Cost of debt (+/- 1%)	(6.63)	6.77

(h) **Reconciliation of Level 3 fair value measurements of financial liabilities is given below**

Movements in Level 3 valuations	Year ended 31 March 24		Year ended 31 March 23	
	Contingent consideration	Derivative asset towards further stake acquisition in subsidiary	Contingent consideration	Derivative asset towards further stake acquisition in subsidiary
<b>As at 1 April 2023</b>	-	-	-	-
Acquisitions through business combinations (refer note 40)	600.59	360.20	-	-
Fair value gain/(loss) recorded in Consolidated Statement of Profit and Loss	(50.14)	35.16	-	-
Net exchange differences	3.26	12.10	-	-
<b>As at 31 March 2024</b>	<b>553.71</b>	<b>312.94</b>	<b>-</b>	<b>-</b>

**29 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, CAD, GBP and others.

**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:

	31 March 2024				31 March 2023			
	USD	CAD	GBP	Others	USD	CAD	GBP	Others
Cash and cash equivalents	47.70	57.58	-	4.29	175.61	3.98	-	7.78
Trade receivables	1,351.92	52.28	41.88	120.65	1,231.94	113.45	59.50	49.63
Other financial assets	-	-	-	-	0.97	-	-	-
Trade payables	(17.07)	-	-	-	(25.79)	-	(1.12)	-
Other financial liabilities	(95.14)	-	-	(553.71)	(71.43)	-	-	-
<b>Net statement of financial position exposure</b>	<b>1,287.41</b>	<b>109.86</b>	<b>41.88</b>	<b>(428.78)</b>	<b>1,311.30</b>	<b>117.43</b>	<b>58.38</b>	<b>57.41</b>

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the USD, CAD 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.

	Profit or Loss (before tax)		Profit or Loss (before tax)	
	For the year ended		For the year ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	<b>Strengthening</b>	<b>Weakening</b>	<b>Strengthening</b>	<b>Weakening</b>
USD (1% movement)	12.87	(12.87)	13.11	(13.11)
CAD (1% movement)	1.10	(1.10)	1.17	(1.17)
GBP (1% movement)	0.42	(0.42)	0.58	(0.58)
Others (1% movement)	(4.29)	4.29	0.57	(0.57)

**Pricing risk:**

Pricing pressure is a constant risk due to increased competition. The Company strives to mitigate this risk with existing and 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 all the processes.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any borrowings at variable interest rate. The Company has its entire borrowings (from related party) at a fixed interest rate. Therefore Company is not significantly 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:

Particulars	For the year ended	For the year ended
	31 March 2024	31 March 2023
Revenue from top customers (more than 10% revenue individually)	1,545.90	2,589.84
Revenue from top 15 customers	5,696.43	6,814.64

Expanding the customer base is mitigating this risk. Within the current customers, the Company is looking to deepen the partnership by supporting enterprises through the entire value chain of custom eLearning.

**Expected credit loss for trade receivables, unbilled revenues and contract assets (customer balances):**

Customer balances forms a significant part of the financial assets carried at amortised cost and contract assets, which is valued considering provision for allowance using expected credit loss method. This assessment is not based on any mathematical model but an assessment considering the nature of segment, impact immediately seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable.

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.

## 29 Financial risk management

Company's exposure to credit risk for trade receivables using provision matrix is as follows:

Particulars	As at 31 March 2024			As at 31 March 2023		
	Gross carrying amount	Allowance for credit losses	Net carrying amount	Gross carrying amount	Allowance for credit losses	Net carrying amount
Less than 180 days	1,579.22	-	1,579.22	1,719.06	-	1,719.06
More than 180 days	158.61	126.94	31.67	31.34	-	31.34
	<b>1,737.82</b>	<b>126.94</b>	<b>1,610.88</b>	<b>1,750.40</b>	-	<b>1,750.40</b>

Movement in the expected credit loss allowance of trade receivables are as follows:

Particulars	As at	As at
	31 March 2024	31 March 2023
Balance at the beginning of the year	21.58	38.39
Add: provided during the year (net of reversal)	157.28	22.20
Less: amount written off	(30.34)	(39.01)
<b>Balance for the year ended 31 March 2024</b>	<b>148.52</b>	<b>21.58</b>

Expected credit loss on financial assets and contract 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 expected 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 and balances with banks

The Company limits its exposure to credit risk by investing in liquid securities and maintain balances with banks 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:

Particulars	Contractual cash flows			Contractual cash flows		
	As at			As at		
	31 March 2024			31 March 2023		
	Carrying amount	Within 1 year	More than 1 year	Carrying amount	Within 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>						
Trade payables	197.29	197.29	(0.00)	481.59	481.59	(0.00)
Borrowings	1,200.00	190.00	1,010.00	1,363.97	292.82	1,071.15
Lease liabilities	111.14	48.45	62.69	-	-	-
Other financial liabilities	160.16	160.16	-	215.15	215.15	-

## 30 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:

Particulars	As at	As at
	31 March 2024	31 March 2023
Total equity attributable to the equity shareholders of the Company	9,689.65	8,715.26
As percentage of total capital	88%	86%
Total lease liabilities	111.14	-
Total borrowings	1,200.00	1,363.97
As a percentage of total capital	12%	14%
<b>Total capital (equity and borrowings)</b>	<b>11,000.79</b>	<b>10,079.23</b>

The Company is equity as well as debt financed which is evident from the capital structure. Further, the Company has been a net cash company with cash and bank balances.

The Company monitored its capital gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings net of cash equivalents:-

Particulars	As at	As at
	31 March 2024	31 March 2023
Long term borrowing	1,010.00	1,071.15
Current portion of long term borrowing	190.00	292.82
<b>Total borrowing</b>	<b>1,200.00</b>	<b>1,363.97</b>
Less :		
Cash and cash equivalents	229.83	318.80
Other bank balance	-	833.00
<b>Net debt</b>	<b>970.17</b>	<b>212.17</b>
Total equity	9,689.65	8,715.26
<b>Gearing ratio</b>	<b>0.10</b>	<b>0.02</b>

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2024**  
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**31 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) read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time), are disclosed below:-

**A Names of related parties and description of relationship:**

S.No.	Description of relationship	Names of related parties
<b>1. Related parties exercising control:</b>		
	Holding company	MPS Limited, India (holding company) ADI BPO Services Limited, India (holding company of MPS Limited, India and ultimate holding company)
<b>2. Related parties where control exist:</b>		
	Direct subsidiary	Liberate Learning Pty Ltd (65%) (w.e.f. 31 Aug 2023) Liberate eLearning Pty Ltd (65%) (w.e.f. 31 Aug 2023) App eLearn Pty Ltd (65%) (w.e.f. 31 Aug 2023) Liberate Learning Ltd (65%) (w.e.f. 31 Aug 2023)
<b>3. Related parties where control exist via holding company:</b>		
	Fellow subsidiary company	MPS Europa AG, Switzerland (100%) TOPSIM GmbH, Germany (100%) Semantico Limited, UK (100%) HighWire Press Limited, USA (100%) (Strike-off) (w.e.f 06 June 2023) American Journal Experts LLC (SPV-100%) (w.e.f 20 February 2024) Research Square AJE LLC (100%) (w.e.f 29 February 2024) American Journal Online (Beijing) information Consulting Company Limited (100%) (w.e.f 29 February 2024)
<b>4. Other related parties:</b>		
	Key management personnel (KMP)	Rahul Arora, Chairman, CEO and Whole-time Director Sunit Malhotra, Chief Financial Officer (w.e.f 19 May 2022) and Company Secretary till 24 January 2023) Raman Sapra- Company Secretary (w.e.f. 25 January 2023) Ratish Mohan Sharma, Chief Financial Officer (till 18 May 2022) <b>Non-Executive Directors</b> Ajay Mankotia- Independent Non-Executive Director Yamini Tandon- Non-Independent Non-Executive Director

**B Transactions during the year**

	Description of transactions	Name of related party	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>1</b>	<b>Finance costs</b>	MPS Limited	236.79	125.96
<b>2</b>	<b>Rent and other administration expenses</b>	MPS Limited	59.27	-
<b>3</b>	<b>Fixed assets sale</b>	MPS Limited	-	0.29
<b>4</b>	<b>Loan received</b>	MPS Limited	2,000.00	1,500.00
<b>5</b>	<b>Repayment of loan</b>	MPS Limited	2,163.96	136.04
<b>6</b>	<b>Reimbursement of expenses received</b>	MPS Limited	51.31	10.78
<b>7</b>	<b>Expenses incurred during the year by the Company</b>	MPS NA LLC MPS Limited	79.52 25.99	57.60 14.84
<b>8</b>	<b>Director sitting fees</b>	Mr. Ajay Mankotia Mrs. Yamini Tandon	5.00 5.00	5.00 5.00
<b>9</b>	<b>Dividend income</b>	Liberate Learning Pty Ltd	175.96	-
<b>C</b>	<b>Balance at the year end</b>			

Particulars	Name of related party	As at 31 March 2024	As at 31 March 2023	
<b>1</b>	Intercorporate loan	MPS Limited	1,200.00	1,363.97
<b>2</b>	Trade payables	MPS NA LLC	8.56	3.44
<b>3</b>	Other financial liabilities	MPS Limited	5.73	-
<b>4</b>	Trade receivable	MPS Limited	15.13	-
<b>5</b>	Other financial assets	MPS Limited	36.00	0.34
		Liberate Learning Pty Ltd	175.96	-
<b>6</b>	Interest accrued but not due	MPS Limited	0.93	-

**Notes:**

**1** No amount has been written off / written back during the year in respect of dues from / to related parties.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs through payment. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates

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**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2024**  
**(INR in Lacs, except share and per share data, unless otherwise stated)**

**32 Revenue**

**(i) Revenue from contracts with customers**

Revenues for the year ended 31 March 2024 and 31 March 2023 are as follows:

Particulars	For the year ended	For the year ended
	31 March 2024	31 March 2023
eLearning	8,275.07	10,032.07
	For the year ended	For the year ended
	31 March 2024	31 March 2023
<b>Revenue by geographical markets</b>		
India (country of domicile)	750.59	1,758.75
Europe	1,343.73	200.69
United State of America	5,061.65	4,394.99
Rest of the World	1,119.10	3,677.63
<b>Total</b>	<b>8,275.07</b>	<b>10,032.07</b>

**(iii) Contract balances**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	As at	As at
	31 March 2024	31 March 2023
Receivables, which are included in 'trade and other receivables' (refer note no. 9)	1,589.30	1,728.82
Contract assets (refer note no. 8 (ii))	242.73	1,083.01
Contract liabilities (refer note no. 16)	2,280.17	2,826.51

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Significant changes in the contract assets and the contract liabilities balances are as follows

Particulars	For the year ended		For the year ended	
	31 March 2024		31 March 2023	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
<b>Balance as at beginning of the year</b>	1,083.01	2,826.51	681.75	2,092.55
Contract liability acquired on account of business combination (refer note 38)	-	-	-	403.28
Increases due to cash received, excluding amounts recognised as revenue during the period	-	1,147.27	-	2,918.15
Revenue recognised that was included in the unearned balance at the beginning of the year	-	(1,711.87)	-	(2,629.07)
Advance received from customer	-	18.26	-	41.60
Contract assets acquired on account of business combination (refer note 38)	-	-	283.28	-
Increases due to revenue recognised during the year	242.73	-	716.48	-
Transfers from contract assets recognised at the beginning of the year to receivables	(1,083.01)	-	(598.50)	-
<b>Balance at the end of the year</b>	<b>242.73</b>	<b>2,280.17</b>	<b>1,083.01</b>	<b>2,826.51</b>

**(iv) 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.

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2023**  
**(INR in Lacs, except share and per share data, unless otherwise stated)**

**33 Contingent liabilities and commitments to the extent not provided for:**

- (a) There are no contingent liabilities as at 31 March 2024 and as at 31 March 2023.

**Note:**

The Honorable Supreme Court on 28 February 2019 had 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.

(b) **Commitments as at year end**

Estimated amount of contracts remaining to be executed on capital account (net of advances) is Nil (31 March 2023: Nil).

**34 Leases**

- (i) In adopting Ind AS 116, the Company has applied the below practical expedients:

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"

The Company has not applied the requirements of Ind AS 116 for leases of low value assets.

The Company had applied 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.

- (ii) The Company has discounted lease payments using the applicable incremental borrowing rate which is 10% p.a for measuring the lease liability having lease term of 3 years.

(iii) **Reconciliation of lease liabilities**

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Balance as at beginning of the year</b>	<b>(0.00)</b>	-
Acquisitions through business combinations (refer note 38)	-	91.76
Addition during the year	149.32	-
Interest on lease liabilities (refer note 21)	9.32	4.25
Repayment of lease liabilities including interest expenses	(47.50)	(44.10)
Impact on lease termination	-	(51.91)
<b>Balance at the end of the year</b>	<b>111.14</b>	<b>(0.00)</b>

(iv) **Following amount has been recognised in the statement of profit and loss**

Particulars	As at	As at
	31 March 2024	31 March 2023
Interest on lease liabilities (refer note 21)	9.32	4.25
Depreciation on right-of-use assets (refer note 22)	41.48	31.01
Deferred tax (credit) (refer note 12)	0.83	0.27
<b>Impact on the statement of profit and loss for the year</b>	<b>51.63</b>	<b>35.53</b>

(v) **Amount recognised in the statement of cash flow**

Particulars	As at	As at
	31 March 2024	31 March 2023
Repayment of lease liabilities excluding interest	(56.82)	39.84
Repayment of interest (refer note 21)	9.32	4.25
<b>Impact on the statement of cash flows for the year</b>	<b>(47.50)</b>	<b>44.09</b>

**35 Acquisition of Liberate Group**

On 31 August 2023, the Company acquired 65% of the shares held by the shareholders of each entity of Liberate Group i.e. Liberate Learning Pty Ltd (Australia), Liberate eLearning Pty Ltd (Australia), App-eLearn Pty Ltd (Australia), and Liberate Learning Limited (New Zealand) for a consideration of AUD 9.32 million (INR 5,014.32 lacs). The consideration of AUD 9.32 million (INR 5,014.32 lacs) includes immediate cash payout, deferred contingent consideration and holdback amount towards net working capital adjustments. The consideration of AUD 7.58 Million (INR 4080.18 lacs) due at completion was paid upon acquisition and the remaining amount will be paid at a later date as per the terms of the Share Purchase Agreement ("SPA") and other transaction documents dated 29 August 2023 and 31 August 2023. The aforementioned consideration of AUD 9.32 million (INR 5,014.32) has been revised to AUD 9.10 million (INR 4,905.20 lacs) post net working capital adjustments carried out in accordance with the SPA and accordingly balance hold back amount towards net working capital adjustment amounting to AUD 0.22 million (INR 125.36 lacs) has been paid after adjustments.

The remaining 35% shareholding of each of the entities of Liberate Group will be acquired in subsequent tranches based upon valuation methodology as agreed under the transaction documents. The Company has recognised value of call and put option as per the requirements of applicable Ind AS.

**i) Contingent consideration**

The obligation to pay contingent consideration to the promoters of the Liberate Group has been recorded at fair value as per the terms of the SPA which primarily specifies the payment of additional consideration on achievement of specified performance targets over a period of next two years. This financial liability has been measured to be AUD 1.12 Million (INR 600.59 lacs) at the date of acquisition initially as per terms of the SPA. This amount was re-measured as at 31 March 2024 to AUD 1.03 Million (INR 553.71 lacs). The decrease in liability amounting to AUD 0.09 Million (INR 50.14 lacs) and exchange differences (loss) amounting to INR 3.26 lakhs has been charged to consolidated statement of profit and loss. The maximum outflow of consideration on account of this liability is AUD 1.30 Million as per the terms of the SPA.

**ii) Derivative asset**

The derivative asset as per put and call option arrangement for acquisition of remaining 35% interest of Liberate Group has been recorded at AUD 0.66 Million (INR 360.20 lacs) as financial liability for future acquisition. The value of the same has been determined basis fair valuation performed by valuation specialist as per SPA. This amount was re-measured at AUD 0.60 Million (INR 312.94 lacs) and reduction of AUD 0.06 Million (INR 35.16 lacs) has been recorded as expense in the statement of profit and loss along-with exchange difference (loss) of INR 12.10 lacs.

**36 Corporate social responsibility (CSR) expense**

Provision of Section 135 of the Companies Act 2013 is applicable on the Company as threshold limits are triggered during the year. Therefore, 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 education to under privileged children's and girls, building intellect and instill higher values of life through education, promoting health care and any other area the Board may find appropriate. Gross amount required to be spent by the Company during the year was INR 44 Lacs. (INR 19.24 Lacs as on 31 March 2023)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>a) Details of amount required, spent and shortfall in CSR expense during the year</b>		
Amount required to be spent by the Company	44.00	19.24
Amount incurred during the year ( <i>Refer "b" below</i> )	44.00	19.24
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Amount of provision made with respect to a liability incurred by entering into a contractual obligation	-	-

**b) Amount spent by the Company on its CSR activities are as follows:**

Purpose	Year ended 31 March 2024		Year ended 31 March 2023	
	Paid in cash	Yet to be paid in cash	Paid in cash	Yet to be paid in cash
(i) Construction/acquisition of any asset	-	-	-	-
<b>(ii) On purposes other than (i) above</b>				
Promoting education and skills	41.50	-	17.81	-
Promoting Gender Equality & Women Empowerment	2.50	-	1.43	-
<b>Total</b>	<b>44.00</b>	<b>-</b>	<b>19.24</b>	<b>-</b>

c) There was no shortfall as at 31 March 2024 (31 March 2023: Nil).

d) No contribution was made to any trust controlled by the Company or any related parties in relation to CSR expenditure.

e) No amount was spent on any on-going project.

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2024**  
**(INR in Lacs, except share and per share data, unless otherwise stated)**

**37 Code on social security:**

The Code on Social Security, 2020 relating to employee benefits during employment and post-employment benefits has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and rules are yet to be framed. The Company will assess the impact and will give appropriated impact in its financial results in the period in which, the Code becomes effective and the related rules are published.

**38 Scheme of amalgamation**

A The Scheme of amalgamation amongst the Company and E.I. Design Private Limited (Transferor Company) has been approved by the Regional Director, Chennai and has been made effective from 31 May 2022.

Pursuant to the approval of the Scheme by Regional Director Chennai vide its Order dated 06 June 2023, having appointed date of 31 May 2022, E.I. Design Private Limited ('EID') has been merged into and with MPS interactive Systems Limited (Transferee Company). The Company has restated the comparative numbers for the year ended 31 March 2023 presented in the financial statements to give effect to the Scheme from the aforementioned appointed date, using pooling of interest method in accordance with the requirements of Ind AS 103 Business Combinations.

B As the Transferor Company and Transferee Company are engaged in similar line of business, viz. being in the business of providing eLearning solutions and the Transferor Company is a wholly owned subsidiary of the Transferee Company, the merger of the transferor Company into and with the Transferee Company would help in attaining operational efficiencies, cost competitiveness, creating services for businesses and would assist in capitalizing on the growth opportunities to the fullest extent. Consolidating the business of the Transferor Company and Transferee Company as a single entity will provide several benefits including a more streamlined group structure by reducing the number of entities reducing the multiplicity of legal and regulatory compliance, rationalizing costs. It will also prevent cost duplication that can erode financial efficiencies and the resultant operations will improve cash flow, ensure timely payments to vendors.

C In terms of the Scheme, the Company:

a) has cancelled the investment held in the equity share of Transferor Company by the Transferee Company and the difference, if any, arising between the (i) carrying value of assets and liabilities and reserves pertaining to the Transferor Company recorded in the same manner in which they appear in the consolidated financial statement of MPS Limited (Holding Company of Transferee Company) prior to the Scheme become effective and (ii) carrying value of the investment in equity share of Transferor Company in the books of Transferee Company, shall be adjusted to/credited to capital reserve in the books of Transferee Company and should be presented separately from other capital reserve with disclosure of its nature in the notes.

b) Key financial information of the Company pre scheme (excluding acquired entity) and post scheme (including acquired entity) is as under:

Particulars	Post scheme			Year ended 31 March 2023
	Acquired entities/undertaking			
	The Company (pre scheme)	EID	Elimination	
Revenue from operations	6,949.71	3,112.68	(30.32)	<b>10,032.07</b>
Profit before tax	1,958.20	505.56	30.32	<b>2,494.08</b>
Profit after tax	1,483.33	348.78	-	<b>1,832.11</b>

D In terms of the Scheme, the Company has accounted for the amalgamation in its books of accounts from the appointed date i.e. 31 May 2022, as per pooling of interest method of accounting in accordance with the accounting principles as laid down in Ind AS 103 "Business Combinations".

The statement of identifiable assets and liabilities, as at appointed date, acquired/assumed and recorded by the company pursuant to the scheme and amount recognized as goodwill is set out below:

Particulars	As at 30 May 2022
Property, plant and equipment (net)	56.23
Right-of-use assets	82.70
Other intangible assets	1,375.73
Other financial assets	34.63
Income tax assets	113.56
Contract assets	283.28
Other current assets	97.31
Trade receivables	354.42
Cash and cash equivalents	826.21
Other Bank Balance	17.31
Lease liabilities	(85.90)
Trade payables	(172.51)
Other financial liabilities-current	(205.61)
Other current liabilities	(413.18)
Provisions	(150.80)
Capital reserve*	(345.05)
Deferred tax liabilities (net)	(703.91)
<b>Net assets</b>	<b>1,164.42</b>
<b>Investment in E.I. Design Pvt Ltd</b>	<b>4,208.67</b>
<b>Goodwill</b>	<b>3,044.25</b>

E Inter company balance, if any, between the Transferor Company and the Transferee Company shall stand cancelled and there shall be no further obligation/outstanding in that behalf.

F No adjustment are to be made to reflect fair values, or recognise any new assets and liabilities except to harmonies accounting policy between the Transferor Company and the Transferee Company. In case of any differences in accounting policies between the Transferee Company and the Transferor Company, the accounting policies followed by the Transferee Company shall prevail and the difference shall be adjusted in Revenue Reserve of Transferee Company, to ensure that the merged financial statement of Transferee Company reflect the financial position on the basis of consistent accounting policies.

G Company has recognised Capital reserve of Rs. 345.05 lakhs as part of the above business combination in accordance with the accounting treatment specified in the scheme approved as detailed above. The same represents the difference between the carrying value of investments of Rs. 4,208.67 lakhs in E.I. Design Private Limited and net assets amounting to Rs. 4553.73 lakhs as per consolidated financial statements of MPS Limited ('Holding Company')

**MPS Interactive Systems Limited**  
**Notes forming part of Financial Statements for the year ended 31 March 2024**  
**(INR in Lacs, except share and per share data, unless otherwise stated)**

**39 (i) Loan**

The Company has received a loan of INR 2,000 Lacs from MPS Limited, its holding company for the acquisition of 65% Liberate Group of companies. Details of which are as follows :-

Name of lender	Date of loan	Amount	Purpose	Utilisation of funds	Date of investment
MPS Limited	14 Aug 2023	2,000	Investment	Acquisition of 65% Stack in Liberate Learning Pty Ltd, Liberate eLearning Pty Ltd, App eLearn Pty Ltd and Liberate Learning Ltd	31 Aug 2023

The above transaction is not in violation of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

**39 (ii) Disclosure pursuant to section 186(4) of the Companies Act, 2013 in respect of unsecured loans from holding company (refer note 31)**

MPS Limited	As at 31 March 2024	As at 31 March 2023
<b>Outstanding as at the beginning of year</b>	1,363.96	-
Received during the year	2,000.00	1,500.00
Repaid during the year	2,163.96	136.04
Maximum balance outstanding	3,363.96	1,500.00
<b>Outstanding as at the end of year</b>	<b>1,200.00</b>	<b>1,363.96</b>

The loan outstanding as on 31 March 2024 amounting to INR 1,200 Lacs is received from the holding company for further investment in 65% equity shares of Liberate Group at 10.5% per annum interest rate which is repayable as per stipulated schedule over a period of 7 years.

The loan outstanding as on 31 March 2023 amounting to INR 1,363.96 Lacs is received from the holding company for acquisition of 100% Equity Shares of E.I. Design Private Limited at 10% per annum interest rate which is repayable as per stipulated schedule over a period of 5 years

**40 Segment information**

The company operates predominantly within a single reportable business i.e. eLearning. There are no separate reportable business segments. The aforesaid is in line with review of performance and allocation of resources by the chief operating decision maker.

**Geographical information's:**

The geographical information analysis the Company's revenue and non-current assets by the 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.

**(i) Revenue by geographical markets**

Particular	For the year ended 31 March 2024	For the year ended 31 March 2023
India (country of domicile)	750.59	1,758.75
Europe	1,343.73	200.69
United State of America	5,061.65	4,394.99
Rest of the World	1,119.10	3,677.63
<b>Total</b>	<b>8,275.07</b>	<b>10,032.06</b>

**(ii) Non-current assets (by geographical location of assets)\***

Particular	INR in Lacs	
	As at 31 March 2024	As at 31 March 2023
India (country of domicile)	12,910.99	8,819.21
United State of America	3.10	2.07
Rest of the World	0.31	0.31
<b>Total</b>	<b>12,914.40</b>	<b>8,821.58</b>

\*Non-current assets are excluding financial instruments and deferred tax assets.

41 Additional regulatory informations

(a) Ratios

Ratios	Formulas for computation	Measures (Times / Percentage)	As at 31 March 2024	As at 31 March 2023	Variation	Remarks
Current Ratio	Current Assets / Current Liabilities	Times	0.92	1.51	-39.03%	Decreased on account of decrease in current assets as on 31 March 2024.
Debt-Equity Ratio	Total Debts / Net Worth	Times	0.12	0.16	-20.87%	Not applicable as variation is within 25%
Debt Service Coverage Ratio	EBITDA / Debt Service	Times	0.79	11.82	-1103.66%	Improved due to repayment of inter corporate loan during the year ended 31 March 2024
Return on Equity Ratio	Profit after Tax / Average Total Equity	Percentage	10.67%	24.02%	-55.58%	Decline due to business slow down during the year ended 31 March, 2024.
Trade Receivable turnover Ratio	Revenue from Operations / Average Debtors	Times	4.74	5.87	-19.11%	Not applicable as variation is within 25%
Trade Payable turnover Ratio	Other expenses net off non cash expenses and CSR/ Average accounts payable	Times	4.56	6.17	-26.02%	Improved due to timely payment to vendors during the year ended 31 March 2024
Net Capital turnover Ratio	Revenue from Operations/ Average Working Capital ( i.e Total Current Assets Less Total Current Liabilities)	Times	9.15	7.00	30.79%	Improved due to decrease in working capital during the year ended 31 March 2024.
Net Profit Ratio	PAT/ Revenue from Operations	Percentage	11.86%	18.26%	-35.03%	Decline due to business slow down during the year ended 31 March, 2024.
Return on Capital Employed	EBIT/Capital Employed ((Net Worth +Lease Liabilities+Deferred Tax Liabilities)	Percentage	11.88%	22.25%	-46.63%	Decline due to business slow down during the year ended 31 March, 2024.
Return on Investments	Profit before Tax / Total Assets	Percentage	7.74%	16.07%	-51.86%	Decline due to business slow down during the year ended 31 March, 2024.

- (b) Subsequent to year end the Board of Directors in the meeting held on 20 May 2024 recommended a final dividend of INR 176.50 lakh to Holding Company for the financial year 2023-24, which shall be paid subject to the approval of shareholders in the Annual General Meeting

42 Audit Trail

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall only use such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The new requirement is applicable with effect from the financial year beginning on 1 April 2023

The Company uses an accounting software as the primary accounting software for maintaining its books of accounts. During the current financial year, the audit trail (edit log) features for any direct changes made at the database level were not enabled for the accounting software used for maintenance of all the accounting records by the Company. However, the audit trails (edit log) at the applications level (entered from the frontend by users) for the accounting software were operating for all relevant transactions recorded in the software.

The Company also uses one third party application for processing its payroll. The 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SSAE 21, Statement on Standards for Attestation Engagements does not comment on existence of audit trail (edit logs) for any maintenance of logs of direct changes made at the database level. Further audit trail feature for the changes made through application level are retained only for 365 days as the same results into slowing down of system due to huge volume of data.

**43 Other statutory information**

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds, to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund, other than those disclosed in Note No. 39, from any other person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

**For Walker Chandio & Co LLP**  
*Chartered Accountants*  
ICAI Firm Registration Number: 001076N/N500013

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

**Rohit Arora**  
Partner  
Membership Number: 504774  
Place : New Delhi  
Date : 20 May 2024

**Rahul Arora**  
Chairman, Chief Executive Officer  
& Whole Time Director  
DIN: 05353333  
Place : New York, USA  
Date : 20 May 2024

**Ajay Mankotia**  
Director  
DIN: 03123827  
Place : New Delhi  
Date : 20 May 2024

**Sunit Malhotra**  
Chief Financial Officer  
Membership No : 084004  
Place : Noida, Uttar Prade: Place : Noida, Uttar Pradesh  
Date : 20 May 2024

**Raman Sapra**  
Company Secretary  
Membership No : F9233  
Place : Noida, Uttar Pradesh  
Date : 20 May 2024