

REPORT OF THE BOARD OF DIRECTORS

To the Members,

On behalf of the Board of Directors ('the Board') of the Company, we present the 4th Directors' Report, along with Balance Sheet, Profit and Loss account and Cash Flow statements, for the year ended March 31, 2022.

FINANCIAL PERFORMANCE

Key highlights of the financial performance of your Company for the financial year 2021-22 are provided below:

(Rs. in lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Gross Income	5,566.35	4,872.72
Profit Before Interest, Depreciation and Tax (Excluding Exceptional Income)	1,392.44	519.59
Finance Charges	27.26	151.79
Provision for Depreciation	336.31	446.85
Profit/(Loss) Before Tax (Excluding Exceptional Item)	1028.87	(79.06)
Tax Expenses	261.06	574.64
Net Profit/(Loss) After Tax	767.81	(653.70)
Other Comprehensive Income	24.73	49.99
Total comprehensive income for the year, net of tax	792.54	(603.71)
Retained Earnings brought forward from previous year	(674.78)	(71.07)
Surplus Carried to Balance Sheet	117.76	(674.78)

STATE OF COMPANY'S AFFAIRS AND OPERATIONAL PERFORMANCE

Your Company is engaged in the business of creating, developing and providing multi-media eLearning software services and related solutions on various hardware platforms and operating systems to the clients worldwide.

Revenue from Operations for the year ended March 31, 2022 is INR 5,387.14 lakhs. The Profit/loss after Tax for the financial year ended on March 31, 2022 is INR 767.81 Lakhs and EPS is 1.24 Per Share.

CHANGE IN THE NATURE OF BUSINESS

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

DIVIDEND

During to financial year 2021-22, your company has not declared any dividend.

RESERVES

No amount has been transferred to Reserves for the financial year ended on March 31, 2022.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

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

ANY MATERIAL CHANGE AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRING BETWEEN THE PERIOD FROM MARCH 31, 2022 TO THE DATE OF THIS REPORT

There are no significant changes or developments that could affect the Company's financial position, that have occurred between the end of the period and the date of this Report.

SHARE CAPITAL

During the year, there has been no change in the paid up equity share capital of the Company which stood at INR 62,00,00,000 (Rupees Sixty-Two Crores only). During the year, the Company has neither introduced any Stock Option Scheme, nor issued any shares with differential voting rights.

DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

Director Retiring by Rotation

In accordance with the provisions of the Act and the Articles of Association of the Company, Ms. Yamini Tandon, retires by rotation at the ensuing AGM and being eligible, offer herself for re-appointment. Accordingly, a resolution is included in the Notice of the forthcoming 4th Annual General Meeting of the Company for seeking approval of members for her appointment as a director of the Company.

Changes in the Board

Mr. Nishith Arora (DIN: 00227593), Chairman & Non - Executive Director of the Company, retired with effect from June 29, 2021 and did not offer himself for re-appointment. Mr. Rahul Arora was appointed as the Executive Chairman of the Company with effect from June 29, 2021.

Ms. Yamini Tandon, was appointed as an Additional Director of the Company on May 25, 2021 and her appointment was approved at the Annual General Meeting of the Company held on June, 29, 2021 as a Non - Executive Director.

Key Managerial Personnel

During the year Mr. Sunit Malhotra, Company Secretary of the Company relinquished as the Chief Financial Officer from closing of the business hour on October 31, 2021 and continued as the Company Secretary thereafter.

Mr. Ratish Mohan Sharma was appointed as the Chief Financial Officer of the Company from the start of the business hours on November 01, 2021.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2022 are: Mr. Rahul Arora, Chief Executive Officer and Whole Time Director, Mr. Ratish Mohan Sharma, Chief Financial Officer and Mr. Sunit Malhotra, Company Secretary.

Mr. Ratish Mohan Sharma will relinquish his position as Chief Financial Officer at the close of business hours on May 18, 2022 and Mr. Sunit Malhotra, Company Secretary of the Company will continue as the Chief Financial Officer w.e.f May 19, 2022.

BOARD MEETINGS

The Board of the Company met 5 (Five) times during financial year 2021-22, i.e. on May 24, 2021, July 27, 2021, October 26, 2021, January 24, 2022 and March 28, 2022 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 the Board Meeting attended
Mr. Nishith Arora*	1	1
Mr. Rahul Arora	5	5
Mr. Ajay Mankotia	5	5
Ms. Yamini Tandon	4	4

*Mr. Nishith Arora retired effective June 29, 2021 from the Company.

ANNUAL RETURN

An extract of Annual Return in MGT - 9, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is attached to this Report as **Annexure B**.

DEPOSITS

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

LOANS, GUARANTEES AND INVESTMENT

All the investments of the Company are as per the provisions of Section 186 of the Companies Act, 2013 and the rules made thereunder. Details of the investments made by the Company are disclosed in the Notes to Financial Statements.

During the year under review, your Company has not provided any secured / unsecured loan or guarantees / securities in respect of any such loan. Your Company has paid during the financial year.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Directors confirm that:

- 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 have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the Annual Accounts on a going concern basis;
- e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were generally operating effectively; and
- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and generally operating effectively.

INTERNAL FINANCIAL CONTROLS

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 2021-2022, Company availed services of M/s. BDO India LLP, the Internal Auditors of the Company to report on the operational and financial controls of the Company and M/s. Walker Chandiok & Co., the Statutory Auditors of the Company to report on the financial statements (Standalone & Consolidated financials) of the Company.

Internal Audit team of M/s. BDO India LLP, conducts quarterly internal audits across the Company, which includes review of operating effectiveness of internal controls. The Board reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the Board follows up on corrective actions.

AUDITORS AND AUDIT REPORTS

At the 3rd Annual General Meeting (“AGM”) held on June 29, 2021, M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration Number-001076N/N500013) was appointed as the Statutory Auditors of the Company for a term of 5 years to hold office till the conclusion of the 8th AGM of the Company to be held in the calendar year 2026.

The Audit Report on the Financial Statements of the Company for the financial year ended on March 31, 2022 read with relevant Notes thereon are self-explanatory and do not call for any

further explanation. The Auditors Report does not contain any qualification, reservation or adverse remark.

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

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, M/s R Sridharan and Associates, Practicing Company Secretaries, carried out the Secretarial Audit of the Company for the financial year ended on March 31, 2022.

The Secretarial Auditors have not expressed any qualification or reservation in their report and their report is self-explanatory. The Secretarial Audit Report in Form MR-3 is annexed as **Annexure B**.

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

FORMAL ANNUAL EVALUATION REPORT

Pursuant to the provisions of the Companies Act, 2013 every listed company and every other public company having a paid up share capital of Rupees Twenty Five 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 in the Company are common; the performance evaluation of the Directors and the individual directors has already been carried out by the Holding Company.

HOLDING COMPANY

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134(3) (m) of the Companies Act, 2013 read with the 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, the 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 4,789.34 Lakhs as against Rs.4204.96 Lakhs for the previous period ended March 31, 2021. Foreign exchange outgo was 873.77 Lakhs as against Rs 1073.18 Lakhs for the previous period ended on March 31, 2021. Thus, the net foreign exchange earned by the Company during the year ended March 31, 2022 was Rs.3915.57 Lakhs.

RELATED PARTY TRANSACTIONS

All related party transactions, if any, that were entered into during the year were on arm's length basis and in the ordinary course of business of the Company. The Board reviews all the related party transactions and approves wherever such approval is required as per the provisions of Section 188 of the Act, rules made thereunder, and applicable Accounting Standards. The Company has not, during the year, entered into any related party transaction that may have a potential conflict with that of the Company at large. During the year, the Company has not entered into any material related party transactions, as specified in Section 188(1) of the Act, with any of its related parties. Details of all the related party transactions of the Company are disclosed in Notes to Financial Statements for the financial year ended on March 31, 2022.

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.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY ANY REGULATORS OR COURT

During the financial year ended on March 31, 2022 no such order was passed by regulators or court which may have material adverse impact on the going concern of the Company.

ACKNOWLEDGMENTS

The Company is dependent for its success on the support of its members, its customers, its vendors, bankers and above all its management and staff, and the Directors wish to place on record their deep appreciation of this support during the year.

For and on behalf of the Board of Directors

Place: Noida
Date: May 16, 2022

Mr. Rahul Arora
Chairman, CEO & Whole-time Director
DIN: 05353333

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022
[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 31st March, 2022. 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 on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Since the Company is an unlisted Company, the question of complying with the provisions of the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under does not arise;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (Not applicable as the Securities of the Company are held in physical form);
- (iv) The Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under FEMA during the year under review and hence, the question of complying with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder does not arise;
- (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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;





- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 & the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Issue and listing of Non-Convertible and redeemable Preference shares) Regulations, 2013 & 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, 2009;
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) and
 - j) The Securities and Exchange Board of India (Buyback 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) issued by The Institute of Company Secretaries of India.
- (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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors 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. Notes on Agenda which are circulated less than the specified period the necessary compliances under the Companies Act, 2013 and secretarial standard on Meeting 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 & 4 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 Board/ Committee meetings, 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.

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

We further report that 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 has

1. Appointed Mr. Rahul Arora, CEO & Managing Director as the Chairman of the Company in place of Mr. Nishith Arora, Chairman & Non-Executive Director, who retired at the 3rd Annual General Meeting of the Company effective 29th June, 2021.

PLACE : CHENNAI
DATE : 16TH MAY, 2022



For R.SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

CS R.SRIDHARAN

CP No. 3239

FCS No. 4775

PR NO.657/2020

UIN: S2003TN063400

UDIN: F004775D000326030

*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 : 16TH MAY, 2022

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



CS R.SRIDHARAN

CP No. 3239

FCS No. 4775

PR NO.657/2020

UIN: S2003TN063400

UDIN: F004775D000326030

Annexure - B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2022

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

I. REGISTRATION AND OTHER DETAILS:

1	CIN	U74999TN2018PLC122594
2	Registration Date	May 10, 2018
3	Name of the Company	MPS Interactive Systems Limited
4	Category / Sub-Category of the Company	Public company limited by shares
5	Address of the registered office and contact details	RR Towers IV, Super A, 16/17, Thiru VI Ka Industrial Estate, Guindy, Chennai - 600 032 Tel: +91 - 44 - 49162222 Fax: +91 - 44 - 49162225
6	Whether listed company (Yes / No)	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY: Creating, developing and providing multi-media e Learning software services and related solutions on various hardware platforms and operating systems to clients worldwide.

Name and Description of main products / services	NIC Code of the Product/ service	% of total Turnover of the Company
e Learning software services	620	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name of Company	Address of Company	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held as on 31/03/2020	Applicable Section
1	MPS Limited*	RR Towers IV, Super A, 16/17, Thiru VI Ka Industrial Estate, Guindy, Chennai - 600 032	L22122TN1970PLC005795	Holding Company	100%	2(46)

*6 shares of the Company are held by the nominee shareholders of MPS Limited.

	Clearing Members	-	-	-	-	-	-	-	-	-
	Sub- Total (B)(2)	-	-	-	-	-	-	-	-	-
	Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
(C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	-	6,20,00,000	6,20,00,000	100	-	6,20,00,000	6,20,00,000	100	-

*6 shares of the Company are held by nominee shareholders of MPS Limited.

(ii) SHAREHOLDING OF PROMOTERS

SI No.	Shareholder's Name	Shareholding (as on 1.04.2021)			Shareholding (as on 31.03.2022)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	MPS Limited	6,19,99,994	100	Nil	6,19,99,994	100	Nil	0
2	Mr. Sunit Malhotra, nominee of MPS Limited	1	0.00	Nil	1	0.00	Nil	0
3	Gagan Sahni Tyagi, nominee of MPS Limited	1	0.00	Nil	0	0.00	Nil	0
4	Gaurav Sharma, nominee of MPS Limited	1	0.00	Nil	0	0.00	Nil	0
5	Utkarsh Gupta, nominee of MPS Limited	1	0.00	Nil	1	0.00	Nil	0
6	Ratish Mohan Sharma*, nominee of MPS Limited	0	0.00	Nil	1	0.00	Nil	0
7	Vijendra Narendra Kumar*, nominee of MPS Limited	0	0.00	Nil	1	0.00	Nil	0

	Total	6,20,00,000	100	Nil	6,20,00,000	100	Nil	0
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* During the Year in the Board Meeting held on January 24, 2022, two Nominee Shareholders Ms. Pooja Singh and Mr. Jai Mishra have transferred there shares to Mr. Ratish Mohan Sharma and Mr. Vijendra Narendra Kumar respectively.

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.		Shareholding (as on 1.04.2021)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year (as on 1 st April, 2021)	6,20,00,000	100	6,20,00,000	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc)	-	-	-	-
	At the end of the year (March 31, 2022)	6,20,00,000	100.00	6,20,00,000	100.00

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

Sl. No.	Name of Shareholder	Shareholding at the beginning (1.04.2021)		Date	Change (Purchase/ Sale)	No. of shares	Cumulative Shareholding during the year / at the end of the year (31.03.2022)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
		Not Applicable						

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.	Name of Director/ KMP	Shareholding at the beginning (as on 1.04.2021)		Date	Change (Purchase/ Sale)	No. of shares	Cumulative Shareholding during the year / at the end of the year (31.03.2022)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
A. Directors								
1.	Mr. Rahul Arora	Nil	0	-	-	-	Nil	0
2.	Mr. Ajay Mankotia	Nil	0	-	-	-	Nil	0

3.	Ms. Yamini Tandon	Nil	0	-	-	-	Nil	0
B. Key Managerial Personnel :								
1.	Mr. Sunit Malhotra, Company Secretary (Nominee Share Holder of MPS Limited)	1	0.00	-	-	-	1	0.00
2.	Mr. Ratish Mohan Sharma, CFO (Nominee Share Holder of MPS Limited)	0	0.00	-	-	-	1	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payments

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness as on 1st April , 2021				
(i) Principal Amount	NIL	NIL	NIL	NIL
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the year				
Addition	NIL	NIL	NIL	NIL
Reduction				
Net Change	NIL	NIL	Nil	Nil
Indebtedness at the end of the financial year				
(i) Principal amount	NIL	NIL	NIL	NIL
(ii) Interest due but not paid	NIL	NIL	NIL	NIL
(iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	Nil	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND / OR MANAGER:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	N/A	Rahul Arora, CEO and WTD	Nil

B. REMUNERATION TO OTHER DIRECTORS

	Particulars of Remuneration	Name of Directors	Total Amount (Rs)
	Sitting Fee for attending Board Meetings	Ajay Mankotia	5,00,000
	Sitting Fee for attending Board Meetings	Yamini Tandon	-
	Total (B)		5,00,000
	Ceiling as per the Act	-	
	Total Managerial Remuneration (A+B)	-	
	Overall Ceiling as per the Act	-	

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

Not Applicable

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO & Whole Time Director*	CFO & Company Secretary*	Chief Financial Officer*	Total
		Rahul Arora	Sunit Malhotra	Ratish Mohan Sharma	
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961 (b) Value of perquisites under Section 17(2) of Income-Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of Income-Tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil

*Salary to Mr. Rahul Arora, Mr. Sunit Malhotra & Mr. Ratish Mohan Sharma is being paid by the holding Company, MPS Limited

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

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

For and on behalf of the Board of Directors

Place: Noida
Date: May 16, 2022

Mr. Rahul Arora
Chairman, CEO & Wholetime Director
DIN: [05353333](#)

Annexure - C

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

1. Specific areas in which R & D was carried out by the Company	<ul style="list-style-type: none"> • Exploring 3rd party platform Spatial to build avatars in virtual space and creating experiential learning using readymade components and templates • Innovative games using 3D to create anaglyphic effect with the help of 3D shaders • LearnX 3.0 rapid authoring framework upgrade to support JSON format in components • R&D on 3rd party tool HP5 for building interactive screens for Canvas LMS to improving the authoring capability • Experience center framework enhancement to support JSON based asset loading to reduce the complexity involved in asset management • Multi-player platform for collaborative games • Integration of BrightSign player (a small form factor device that's used across the globe) to power digital signage projects on large display screens • Using Flutter open source UI software development kit for Progressive Web Applications (PWA) • Exploring WordPress CMS capabilities and customizations to create learning site/portal solutions for customers
2. Benefits derived from the above	<ul style="list-style-type: none"> • Improved productivity • New offerings • Shorter Go-Live timeframe • Creating differentiator • Enhanced user engagement and retention
3. Future plan of action	<ul style="list-style-type: none"> • Use of AI and ML in the training and development industry - research and adoption • Analysis of analytics tools for incorporation in MPSi products to provide recommendations, and insights based on data • Research to move to touch free interactions such as voice recognition (to cater to post Covid requirements) • VR based platform for multi-player game experience • Leverage cloud based services to maximize on extensibility and scalability, and reducing effort and rework.
4. Expenditure on R & D result	No expenditure on R&D this year

Technology Absorption, Adaptation and Innovation

Efforts in brief made towards technology absorption, adaptation, and innovation.	<ul style="list-style-type: none"> • Upgrading the platform to latest technology/libraries for longevity, scalability and extensibility • Use of cloud technologies such as server side caching to improve performance • Adopting industry standard (JSON) for metadata (moving from XML) • Technology exploration for adoption of platform for advance nursing training • Use of latest JavaScript framework (ReactJS) to creating interactive. Intuitive and rich user interfaces with flexibility and extensibility for
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	future updates
Benefits derived from the above	<ul style="list-style-type: none"> • Smarter learning • Scalable, platform independent and secured solutions • Improved end user experience
Imported Technology	No technologies were imported

For and on behalf of the Board of Directors

Rahul Arora
Chairman, CEO & Wholetime Director

Date: May 16, 2022
Place: Noida

Walker Chandiook & Co LLP

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21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurugram - 122 002
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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 2022, 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 a summary of the significant accounting policies 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 2022, 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.

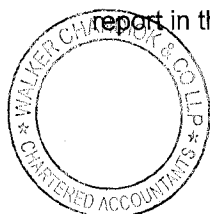
Information other than the Financial Statements and Auditor's Report thereon

4. 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.

The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker Chandiook & Co LLP

Independent Auditor's report to the members of MPS Interactive Systems Limited on the financial statements for the year ended 31 March 2022 (cont'd)

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

5. 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.
6. 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.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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.
9. 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 system 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,



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Independent Auditor's report to the members of MPS Interactive Systems Limited on the financial statements for the year ended 31 March 2022 (cont'd)

if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
10. 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.

Other Matter

11. The financial statements of the Company for the year ended 31 March 2021 were audited by the predecessor auditor, B S R & Co. LLP, who have expressed an unmodified opinion on those financial statements vide their audit report dated 24 May 2021.

Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
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:
- 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;
 - 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 2022 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II, wherein we have expressed an unmodified opinion.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

The Company, as detailed in note 33 to the financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2022.

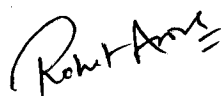


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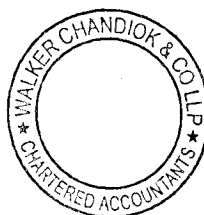
Independent Auditor's report to the members of MPS Interactive Systems Limited on the financial statements for the year ended 31 March 2022 (cont'd)

- 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 2022.
- 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 2022.
- iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 39 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, as disclosed in note 39 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
 - 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. The Company has not declared or paid any dividend during the year ended 31 March 2022.

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



Rohit Arora
Partner
Membership No.: 504774
UDIN: 22504774AJBFAP8931



Place: Noida
Date: 16 May 2022

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 2022

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:

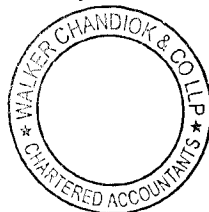
- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which the assets are physically verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable property including investment properties. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii) 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 during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit 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/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.



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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 2022 (cont'd)

- (vii) (a) In our opinion, and according to the information and explanations given to us, 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, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. 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 to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (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 recorded in the books of accounts.
- (ix) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.
- (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, 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) No report under section 143(12) of the Act has been filed 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 sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, 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.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.



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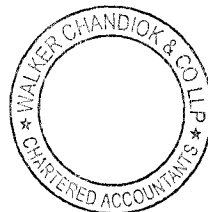
Annexure I referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of MPS Interactive Systems Limited on the financial statements for the year ended 31 March 2022 (cont'd)

- (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 them and accordingly, 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 clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current 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 accompanying 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 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 fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause (xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause (xxi) 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

Rohit Arora
Partner
Membership No.: 504774
UDIN: 22504774AJBFAP8931



Place: Noida
Date: 16 May 2022

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 2022, 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 ('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 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 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)



Walker Chandiook & 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 2022 (cont'd)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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.

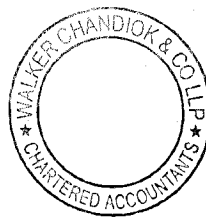
Opinion

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 2022, 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 issued by the ICAI.

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



Rohit Arora
Partner
Membership No.: 504774
UDIN: 22504774AJBFAP8931



Place: Noida
Date: 16 May 2022

MPS Interactive Systems Limited
Balance Sheet as at 31 March 2022

	Note	As at 31 March 2022	INR in Lacs As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	174.18	217.39
Right-of-use assets	3.2	-	344.55
Goodwill	4	3,959.72	3,959.72
Other intangible assets	4	191.79	365.68
Financial assets			
Other financial assets	6 (i)	103.57	633.24
Income tax assets (net)	7	122.49	179.39
Other non-current assets	8 (i)	107.48	115.40
Total non-current assets		4,659.23	5,815.37
Current assets			
Financial assets			
Investments	5	160.90	201.73
Trade receivables	9	1,056.83	756.06
Cash and cash equivalents	10 (i)	564.14	360.36
Other bank balance	10 (ii)	2,116.12	707.66
Other financial assets	6 (ii)	62.05	51.06
Other current assets	8 (ii)	813.91	473.84
Total current assets		4,773.95	2,550.71
TOTAL ASSETS		9,433.18	8,366.08
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	6,200.00	6,200.00
Other equity		340.07	(452.46)
Total equity		6,540.07	5,747.54
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	13 (i)	-	149.07
Provisions	17 (i)	45.67	63.62
Deferred tax liabilities (net)	12	922.49	678.16
Total non-current liabilities		968.16	890.85
Current liabilities			
Financial liabilities			
Lease liabilities	13 (ii)	-	265.89
Trade payables	14		
Due to Micro and Small enterprises		9.02	-
Due to Others		214.85	196.90
Other financial liabilities	15	52.60	112.47
Other current liabilities	16	1,637.98	1,137.54
Provisions	17 (ii)	10.50	14.89
Total current liabilities		1,924.95	1,727.69
TOTAL EQUITY AND LIABILITIES		9,433.18	8,366.08
Significant accounting policies	2		
Notes to financial statements	3-39		
The accompanying notes form an integral part of financial statements.			

As per our report of even date attached

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

Rohit Arora

Rohit Arora
Partner
Membership Number: 504774



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

Rahul Arora

Rahul Arora
Chairman, Chief Executive Officer
& Whole Time Director
DIN: 05353333

Ajay Mankotia

Ajay Mankotia
Director
DIN: 03123827

Ratish

Ratish Mohan Sharma
Chief Financial Officer

Sunit Malhotra

Sunit Malhotra
Company Secretary
ACS No. - A7808

Place : Noida
Date : 16 May 2022



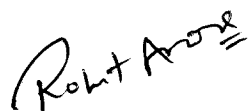
Place : Noida
Date : 16 May 2022

MPS Interactive Systems Limited
Statement of Profit & Loss for the year ended 31 March 2022

		INR in Lacs	
	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	18	5,387.14	4,737.89
Other income	19	179.21	134.83
Total income		5,566.35	4,872.72
Expenses			
Employee benefits expense	20	2,944.17	3,065.68
Finance costs	21	27.26	151.79
Depreciation and amortization expense	22	336.32	446.85
Other expenses	23	1,229.74	1,287.46
Total expenses		4,537.49	4,951.78
Profit / (loss) before tax		1,028.86	(79.06)
Tax expense:	24		
Current tax		25.05	22.98
Deferred tax		236.01	551.66
Total tax expenses		261.06	574.64
Profit / (loss) for the year		767.80	(653.70)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of gain/(losses) net defined benefit plans		33.05	66.80
Income tax relating to items that will not be reclassified to profit or loss		(8.32)	(16.81)
Total other comprehensive income for the year, net of tax		24.73	49.99
Total comprehensive income/(loss) for the year		792.53	(603.71)
Earnings / (loss) per equity share (nominal value of share INR 10)			
- Basic and diluted (earnings per equity share expressed in absolute amount in Indian Rupees)	25	1.24	(1.05)
Significant accounting policies	2		
Notes to financial statements	3-39		
The accompanying notes form an integral part of financial statements.			

As per our report of even date attached
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





Rahul Arora
Chairman, Chief Executive Officer
& Whole Time Director
DIN: 05353333

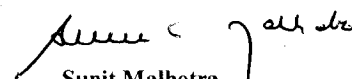


Ajay Mankotia
Director

DIN: 03123827



Ratish Mohan Sharma
Chief Financial Officer



Sunit Malhotra
Company Secretary
ACS No. - A7808

Place : Noida
Date : 16 May 2022



Place : Noida
Date : 16 May 2022

MPS Interactive Systems Limited
Statement of change in equity for the year ended 31 March 2022

	INR in Lacs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Equity share capital		
Balance as at the beginning of the year	6,200.00	6,200.00
Changes in equity share capital during the year	-	-
Balance as at the end of the year	6,200.00	6,200.00

Particulars	INR in Lacs		
	Capital Reserve	Reserve and Surplus Retained earnings	Total
Balance as at 1 April 2020	492.46	(71.07)	421.39
Loss for the year	-	(653.70)	(653.70)
Other comprehensive income	-	49.99	49.99
Total comprehensive income/(loss) for the year	492.46	(674.78)	(182.32)
Loss on redemption of 8% cumulative redeemable preference shares being a transaction with the MPS Limited (Parent company)	(270.14)	-	(270.14)
Balance as at 31 March 2021	222.32	(674.78)	(452.46)
Profit for the year	-	767.80	767.80
Other comprehensive income	-	24.73	24.73
Total comprehensive income/(loss) for the year	-	792.53	792.53
Balance as at 31 March 2022	222.32	117.75	340.07

Notes:

1 Nature and purpose of other equity:

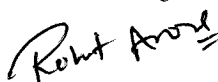
Reserve and Surplus: This represents the cumulative profit of the company.

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 (Parent 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 15th June 2018 aggregating to INR 2200 Lacs. As per the terms of preference shares revised vide AGM dated 23 July 2019 by way of special resolution, 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., 1st 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 Rs. 270.14 lacs.

The accompanying notes form an integral part of financial statements.

As per our report of even date attached
For **Walker Chandiook & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 001076N/N500013



Rohit Arora

Partner
Membership Number: 504774



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



Rahul Arora
Chairman, Chief Executive Officer
& Whole Time Director

DIN: 05353333



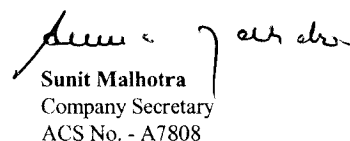
Ajay Mankotia
Director

DIN: 03123827



Ratish Mohan Sharma
Chief Financial Officer

Place : Noida
Date : 16 May 2022



Sunit Malhotra
Company Secretary
ACS No. - A7808

Place : Noida
Date : 16 May 2022



Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Cash flows from operating activities		
Profit / (loss) before tax	1,028.86	(79.06)
Adjustments:		
Depreciation and amortisation expense	336.32	446.85
Interest income	(79.47)	(48.77)
Gain on lease termination	(78.05)	(0.92)
Rent Concession	-	(15.37)
Interest on Income tax refund	(8.88)	(22.61)
Net gain on sale of current investment	(1.48)	(4.31)
Finance costs	27.26	151.79
Loss / (gain) on sale/disposal/discard of property, plant and equipment (net)	(1.37)	1.67
(Gain) on investment carried at fair value through profit or loss	(2.54)	(15.22)
Allowances for expected credit loss	78.21	48.99
Bad debts written off	5.22	9.10
Unrealised foreign exchange loss (net)	(17.42)	28.34
Operating cash flows before working capital changes	1,286.66	500.48
(Increase) / decrease in trade receivables	(366.26)	659.50
Decrease / (increase) in non current financial assets	53.76	(79.55)
Decrease in other financial assets	24.67	18.36
(Increase) / decrease in other current assets	(340.07)	517.63
Decrease in other non current assets	7.92	5.28
Increase / (decrease) in trade payables	26.47	(82.02)
(Decrease) in other financial liabilities	(59.87)	(37.80)
Increase in other current liabilities	500.45	39.38
Increase in provisions	10.70	65.00
Cash generated from operations	1,144.43	1,606.27
Income tax paid (net of refunds)	40.73	270.33
Net cash generated from operating activities (A)	1,185.16	1,876.60
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress)	(28.80)	(40.83)
Purchase of other intangible assets	-	(0.01)
Proceeds from sale of property, plant and equipment	10.69	3.66
Proceeds from sale of current investments	649.85	4,705.94
Purchase of current investments	(605.00)	(1,889.66)
Investment in Fixed Deposit	(1,675.00)	(2,763.29)
Redemption of Fixed Deposit	742.45	2,015.28
Interest received	43.81	41.21
Net cash (used in) / generated from investing activities (B)	(862.00)	2,072.30
C. Cash flows from financing activities		
Redemption of preference shares	-	(2,200)
Repayment of rent lease Liability along with interest	(119.38)	(184.87)
(Repayment) of intercorporate deposit	-	(2,052.60)
Interest paid	-	(95.05)
Dividend paid on preference share	-	(29.41)
Net cash (used in) from financing activities (C)	(119.38)	(4,561.93)
Net (decrease) in cash and cash equivalents (A+B+C)	203.78	(613.04)
Cash and cash equivalents at the beginning of the year	360.36	973.40
Cash and cash equivalents at the end of year (see below)	564.14	360.36
Components of cash and cash equivalents:		
Cash on hand	-	0.09
Balances with banks		
- Current accounts	168.68	235.12
- EEFC accounts	395.46	125.15
- Demand deposit accounts (demand deposits and deposits having original maturity of 3 months or less)	-	-
	564.14	360.36

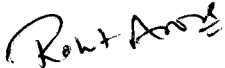
Notes:


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

As per our report of even date attached

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

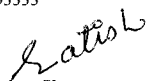
For and on behalf of the Board of Directors of
MPS Interactive Systems Limited

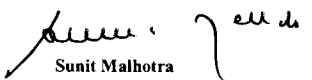

Rohit Arora
Partner
Membership Number: 504774


Rahul Arora
Chairman, Chief Executive Officer
& Whole Time Director
DIN: 05353333


Ajay Mankotia
Director
DIN: 03123827

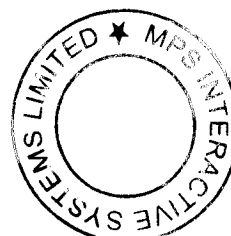



Ratish Mohan Sharma
Chief Financial Officer


Sunit Malhotra
Company Secretary
ACS No. - A7808

Place : Noida
Date : 16 May 2022

Place : Noida
Date : 16 May 2022



MPS Interactive Systems Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

All amount in INR Lacs, unless otherwise stated

1. Corporate Information

MPS Interactive Systems Limited (“the Company”) is a public limited Company domiciled in India and incorporated on May 10, 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. MPS Interactive provides eLearning and platforms services through technology-enabled, futuristic, and highly scalable learning solutions. Our offerings span across 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.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to 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. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial period commencing from April 1, 2021. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

The financial statements of the Company for the year ended 31 March 2022 were approved for issue in accordance with the resolution of the Board of Directors on 16 May 2022.

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 2022

All amount in INR Lacs, 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 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

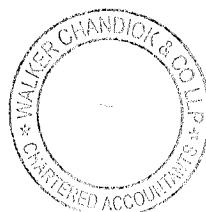
A liability is classified as current when it satisfies any of the following criteria:

- 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 a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

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

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



MPS Interactive Systems Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

All amount in INR Lacs, 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:

Category of assets	Management estimate of useful life	Useful life as per schedule II
Plant and equipment	up to 5 years	3 to 6 years
Furniture & fixture	up to 8 years	10 years
Vehicles	up to 3 years	8 years
Software	up to 5 years	5 years

The residual values, useful lives and method of depreciation/amortisation of 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 2022

All amount in INR Lacs, 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.

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.

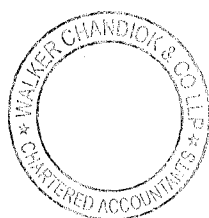
For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of cash inflows of other assets or CGUs.

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

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

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

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



MPS Interactive Systems Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

All amount in INR Lacs, 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

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVOCI

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

- i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- ii. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.



MPS Interactive Systems Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

All amount in INR Lacs, unless otherwise stated

Debt instrument at FVPL

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

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

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

Impairment of financial instruments

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

Derecognition

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

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

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



MPS Interactive Systems Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

All amount in INR Lacs, unless otherwise stated

Financial liabilities

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

Derecognition

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

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

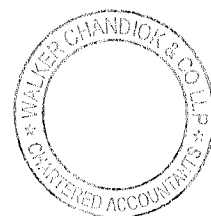
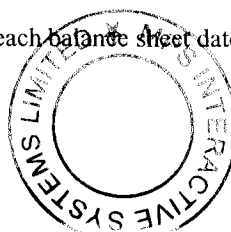
A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, 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 reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liabilities

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

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



MPS Interactive Systems Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

All amount in INR Lacs, 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 the 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 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 output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance is recognized based on time elapsed mode and revenue is straight lined over the period of performance.

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

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

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

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

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

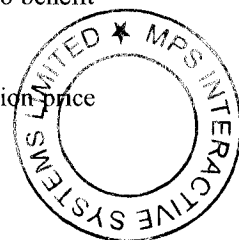
Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of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

The Company disaggregates revenue from contracts with 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 a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also required to determine the transaction price for the contract. The transaction price



MPS Interactive Systems Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

All amount in INR Lacs, unless otherwise stated

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 contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the efforts incurred which is used to determine the degree of completion of the performance obligation.

2.9 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

- 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.
- Post-employment benefits:** Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:
 - **Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity is recognised in the books of accounts based on actuarial valuation by an independent actuary. The gratuity liability for the



MPS Interactive Systems Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

All amount in INR Lacs, unless otherwise stated

employees of the Company is funded with an insurance company in the form of a qualifying insurance policy. The gratuity benefit obligation recognised in the balance sheet represents the present value of the obligations as reduced by fair value of assets held by the Insurance Company. Actuarial gain/losses are recognised immediately in the other comprehensive income.

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

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

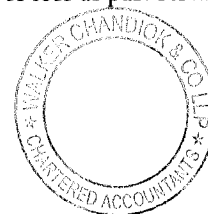
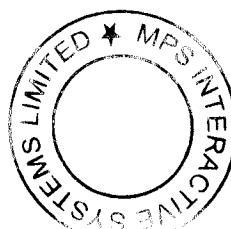
As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilized during the service, or encashed. Encashment can be made on early retirement, on separation, at resignation and upon death of the employee. Accumulated compensated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

d) Termination benefits:

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

Actuarial valuation

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



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Notes forming part of the Financial Statements for the year ended 31 March 2022

All amount in INR Lacs, unless otherwise stated

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 Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

a) Current tax:

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

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

b) Deferred tax:

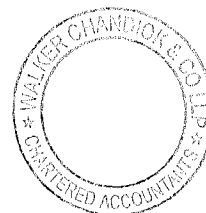
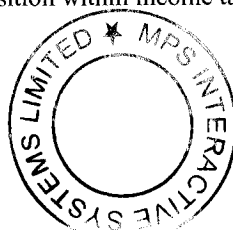
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

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

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

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

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 2022

All amount in INR Lacs, unless otherwise stated

2.12 Dividend Distributions

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

2.13 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 evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.15 Earnings per share

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



MPS Interactive Systems Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

All amount in INR Lacs, unless otherwise stated

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.

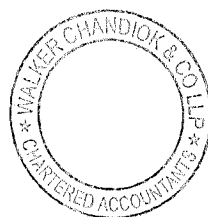
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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, 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.



MPS Interactive Systems Limited

Notes forming part of the Financial Statements for the year ended 31 March 2022

All amount in INR Lacs, unless otherwise stated

2.18 New standards and interpretations not yet adopted

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

a) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

b) Ind AS 16 – Proceeds before intended use

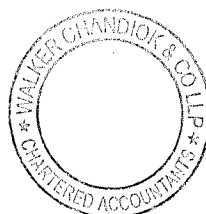
The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

c) Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 109 – Annual improvements to Ind AS (2021)

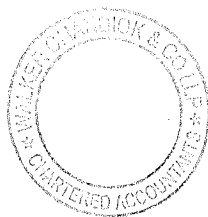
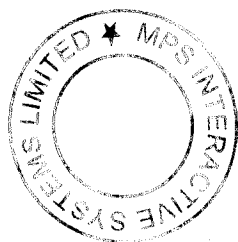
The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.



MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2022
(INR in Lacs, except share and per share data, unless otherwise stated)

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

Particulars	Plant and equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Capital work-in-progress	Total
Gross carrying value						
As at 1 April 2020	304.57	93.82	5.31	31.25	2.69	437.64
Additions	38.62	2.20	-	-	-	40.82
Disposals/adjustments	(0.73)	(3.10)	(0.50)	(4.22)	(2.69)	(11.24)
As at 31 March 2021	342.46	92.92	4.81	27.03	-	467.22
Additions	28.80	-	-	-	-	28.80
Disposals/adjustments	(95.92)	(11.59)	(4.81)	-	-	(112.32)
As at 31 March 2022	275.34	81.33	-	27.03	-	383.70
Accumulated depreciation						
As at 1 April 2020	124.74	30.92	2.87	27.02	-	185.55
Depreciation charge for the year	48.10	16.80	0.22	2.37	-	67.50
Disposals/adjustments	(0.42)	(0.43)	-	(2.37)	-	(3.22)
As at 31 March 2021	172.42	47.29	3.09	27.02	-	249.83
Depreciation charge for the year	48.00	13.63	1.06	-	-	62.69
Disposals/adjustments	(90.44)	(8.41)	(4.15)	-	-	(103.00)
As at 31 March 2022	129.98	52.51	-	27.02	-	209.52
Net carrying value						
As at 31 March 2022	145.36	28.82	-	-	-	174.18
As at 31 March 2021	170.04	45.63	1.72	-	-	217.39
Net carrying value	As at	As at				
	31 March 2022	31 March 2021				
Property, plant and equipment	174.18	217.39				
Capital work in progress	-	-				



MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2022
(INR in Lacs, except share and per share data, unless otherwise stated)

3.2 Right-of-use asset

Particulars	Buildings (refer note 34)	Total
Gross carrying value		
As at 1 April 2020	537.18	537.18
Additions	-	-
Disposals/adjustments	(32.19)	(32.19)
Depreciation charge for the year	160.44	160.44
As at 31 March 2021	344.55	344.55
Additions	-	-
Disposals/adjustments	(244.80)	(244.80)
Depreciation charge for the year	99.75	99.75
As at 31 March 2022	-	-
Net carrying value	Buildings (refer note 34)	Total
As at 31 March 2022	-	-
As at 31 March 2021	344.55	344.55
Amount recognised in profit or loss for Right-of-use asset	As at 31 March 2022	As at 31 March 2021
Depreciation for the year	99.75	160.44
Interest on lease liabilities	27.26	54.34



4. Intangible assets

Particulars	Goodwill	Other intangible assets			Total
		Customer relationship	Order Book	Computer software (acquired)	
Gross carrying value					
As at 1 April 2020	3,959.72	671.60	151.62	230.70	5,013.64
Additions	-	-	-	-	-
Disposals/adjustments	-	-	-	-	-
As at 31 March 2021	3,959.72	671.60	151.62	230.70	5,013.64
Additions	-	-	-	-	-
Disposals/adjustments	-	-	-	-	-
As at 31 March 2022	3,959.72	671.60	151.62	230.70	5,013.64
Amortisation					
As at 1 April 2020	-	246.19	92.64	130.51	469.33
Amortisation expense for the year	-	134.32	50.54	34.05	218.91
Disposals/adjustments	-	-	-	-	-
As at 31 March 2021	-	380.51	143.18	164.56	688.24
Amortisation expense for the year	-	134.32	8.45	31.11	173.88
Disposals/adjustments	-	-	-	-	-
As at 31 March 2022	-	514.83	151.63	195.67	862.12

Net carrying value	Goodwill	Customer relationship	Order Book	Computer software (acquired)	Total
As at 31 March 2022	3,959.72	156.77	(0.01)	35.04	4,151.51
As at 31 March 2021	3,959.72	291.09	8.45	66.14	4,325.40

Net carrying value	As at	As at
	31 March 2022	31 March 2021
Goodwill	3,959.72	3,959.72
Other Intangible assets	191.79	365.68

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 2022	31 March 2021
eLearning	3,869.64	3,869.64
Platform	90.08	90.08
	3,959.72	3,959.72

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 consequent to the change in the estimated future economic conditions arising from the possible effects due to COVID-19. 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 2022 (31 March 2021: 4%) representing management view on the future long-term growth rate.
- Discount rate of 18% for the year ended 31 March 2022 (31 March 2021: 18%) 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.



5 Current investments

Particulars	As at 31 March 2022		As at 31 March 2021	
	Units in '000	INR in Lacs	Units in '000	INR in Lacs
Investment in mutual funds carried at fair value through profit or loss (unquoted, fully paid up)				
ICICI Prudential Liquid Fund - Direct Plan - Growth	-	-	49.88	151.99
ABSL Liquid Fund - Direct Plan - Growth Option	46.89	160.90	15.00	49.74
Total	46.89	160.90	64.88	201.73
Aggregate market value of unquoted investments		160.90		201.73

6 Other financial assets

Particulars	As at 31 March 2022		As at 31 March 2021	
(i) Non Current (unsecured, considered good)				
Security deposits			1.00	73.18
Bank deposits held as margin money or security against guarantees			102.57	84.15
Bank deposits due to mature after 12 months of the reporting date			-	475.91
			103.57	633.24
(ii) Current (unsecured, considered good)				
Security deposits			1.27	1.28
Interest accrued on deposits			49.30	13.63
Other advances				
- Other recoverable			11.48	36.15
			62.05	51.06

7 Income taxes

Particulars	As at 31 March 2022		As at 31 March 2021	
Advance income tax (net of provision of INR 25.05 lacs (31 March 2021): INR 22.98 lacs)			122.49	179.39
			122.49	179.39



8 Other assets		
Particulars	As at 31 March 2022	As at 31 March 2021
(i) Other non-current assets (unsecured, considered good)		
Security deposits	1.60	1.60
Balances with government authorities		
-Service tax credit receivable	105.88	105.88
Prepayment rent	-	7.92
	107.48	115.40
(ii) Other current assets (unsecured, considered good)		
Contract assets		
Considered good	470.12	187.73
Advance to suppliers	3.92	12.10
Prepaid expenses	65.35	63.69
Balances with government authorities		
-Goods and Services Tax, Credit	242.36	176.67
-Others	6.59	4.47
Prepayment rent	-	5.28
Gratuity fund	25.57	23.90
	813.91	473.84

9 Trade receivables		
Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Trade receivables	1,056.83	756.06
	1,056.83	756.06
Break-up for details:		
Trade receivables (unsecured)		
Considered good	1,065.81	886.01
Less: Expected credit loss allowance (refer note 29 (ii))	8.98	129.95
	1,056.83	756.06
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: expected credit loss allowance (refer note 29 (ii))	-	-
	-	-
Total trade receivables	1,056.83	756.06

Trade Receivable ageing for year ended March 31, 2022

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	422.69	622.94	19.02	1.16	-	-	1,065.81
(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	-	-	-	-	-	-	-

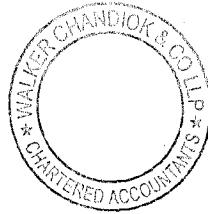
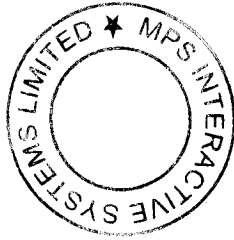
Trade Receivable ageing for year ended March 31, 2021

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	424.52	316.49	17.15	18.32	0.18	-	776.66
(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	-	-	109.35	-	-	-	109.35



10 Cash and Bank balances

Particulars	As at	As at
	31 March 2022	31 March 2021
(i) Cash and cash equivalents		
Balances with banks		
-In Current accounts	168.68	235.12
-In EEFC accounts	395.46	125.15
Cash on hand	-	0.09
	<u>564.14</u>	<u>360.36</u>
(ii) Other Bank Balance		
Bank deposits due to mature within 12 months of the reporting date	2,116.12	707.66
	<u>2,116.12</u>	<u>707.66</u>
Details of bank balances/deposits		
Bank deposits due to mature within 12 months of the reporting date included under 'Other balances with banks' (refer note 10 (ii))	2,116.12	707.66
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current financial assets' (refer note 6 (i))	-	475.91
Bank deposits held as margin money or security against guarantees included under 'Non-current other financial assets' (refer note 6 (i))	102.57	84.15
	<u>2,218.69</u>	<u>1,267.72</u>



11 Share capital

(i) Particulars	As at	
	31 March 2022	31 March 2021
Authorised		
6,50,00,000 equity shares of INR 10 each fully paid up with voting rights	6,500.00	6,500.00
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
	9,000.00	9,000.00
Issued, Subscribed & Paid-Up		
6,20,00,000 equity shares of INR 10 each fully paid up with voting rights	6,200.00	6,200.00
	6,200.00	6,200.00

(ii) Reconciliation of the equity share outstanding at beginning and for the year ended 31 March 2022

Particulars	As at		As at	
	31 March 2022		31 March 2021	
	Number	INR in Lacs	Number	INR in Lacs
Equity shares (with voting rights) outstanding at the beginning of the year	6,20,00,000	6,200.00	6,20,00,000	6,200.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	6,20,00,000	6,200.00	6,20,00,000	6,200.00

(iii) Rights, preferences and restrictions attached to equity shares and preference shares

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, their subsidiaries and associates:

Particulars	As at		As at	
	31 March 2022		31 March 2021	
	Number	INR in Lacs	Number	INR in Lacs
Equity shares of INR 10 each fully paid up and held by MPS Limited	6,19,99,994	6,200	6,19,99,994	6,200

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

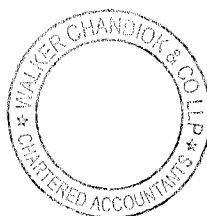
Promoter Name	No. of Shares as at		No. of Shares as at	% of total shares	% change during the year		
	31-Mar-2022				31-Mar-2021	31-Mar-2022	
		% of total shares				31-Mar-2021	31-Mar-2021
MPS Limited	6,19,99,994	99.99%	6,19,99,994	99.99%	-	-	
Total	6,19,99,994		6,19,99,994		-	-	

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

Class of shares / Name of shareholder	As at		As at	
	31 March 2022		31 March 2021	
	Number	% holding in that class of shares	Number	% holding in that class of shares
Equity shares of INR 10 each fully paid up and held by MPS Limited	6,19,99,994	99.99%	6,19,99,994	99.99%

(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 since incorporation of the Company.



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:						
	Expected credit loss allowance	Expenses allowable for tax purposes when paid	Tax losses carry forward	Lease assets net of lease liabilities	Others	Total
As at 31 March 2020	20.38	27.26	293.49	14.29	0.12	355.53
(Charged)/credited						
-Addition on account of IND AS 116						
- to statement of profit and Loss	12.33	22.32	(65.27)	3.42	0.03	(27.17)
- to other comprehensive income		(16.81)				(16.81)
As at 31 Mar 2021	32.71	32.77	228.22	17.71	0.15	311.55
(Charged)/credited						
- to statement of profit and Loss	(7.83)	0.54	(228.22)	(17.71)	(0.15)	(253.37)
- to other comprehensive income		(8.32)				(8.32)
As at 31 Mar 2022	24.88	24.99	-	-	-	49.86

Deferred tax liabilities:				
		Difference between book balance and tax balance of property, plant and equipment/ Other intangible assets	Gains on investment carried at fair value through profit or loss	Total
As at 31 March 2020		(444.28)	(20.94)	(465.21)
(Charged)/credited				
- to statement of profit and Loss		(544.87)	20.37	(524.50)
- to other comprehensive income				
As at 31 Mar 2021		(989.15)	(0.57)	(989.71)
(Charged)/credited				
- to statement of profit and Loss		17.02	0.35	17.36
- to other comprehensive income				
As at 31 Mar 2022		(972.13)	(0.22)	(972.35)

Reflected in the Balance Sheet as follows:

	As at 31 March 2022	As at 31 March 2021
Deferred tax assets	49.86	311.55
Deferred tax liabilities	(972.35)	(989.71)
Deferred tax (liability)	(922.49)	(678.16)

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

	As at 31 March 2022	As at 31 March 2021
Balance as at the commencement of the year	(678.16)	(109.68)
Credit during the year recognised in Statement of profit and loss	236.01	551.67
Expense during the year recognised in other comprehensive income	8.32	16.81
Balance as at 31 March 2022	(922.49)	(678.16)



13 Lease liabilities		As at	As at
Particulars		31 March 2022	31 March 2021
(i) Non-current liabilities			
Lease liabilities		-	149.07
		-	149.07
		-	149.07
(ii) Current liabilities			
Lease liabilities		-	265.89
		-	265.89

14 Trade payables		As at	As at
Particulars		31 March 2022	31 March 2021
Trade payables			
Due to micro and small enterprises (refer note 26)		9.02	-
Due to others		186.98	196.90
Trade payables to related parties (refer note 31)		27.87	-
		223.87	196.90

Trade Payable ageing for year ended March 31, 2022

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	
(i) MSME	4.04	1.63	3.35	-	-	-	9.02
(ii) Others	112.71	6.91	92.73	2.50	-	-	214.85
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	116.75	8.54	96.08	2.50	-	-	223.87

Trade Payable ageing for year ended March 31, 2021

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	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	86.60	7.30	91.59	11.41	-	-	196.90
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	86.60	7.30	91.59	11.41	-	-	196.90

15 Other financial liabilities (Current)

Particulars	As at	As at
	31 March 2022	31 March 2021
Employee payable	52.60	112.47
	52.60	112.47

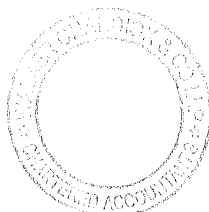
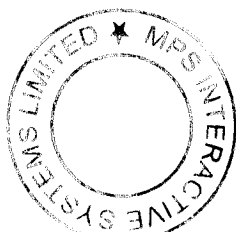
16 Other current liabilities

Particulars	As at	As at
	31 March 2022	31 March 2021
Income received in advance (contract liabilities) (refer note 32 (iii))	1,582.07	1,074.50
Statutory remittances*	55.91	62.73
Others	-	0.31
	1,637.98	1,137.54

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

17 Provisions

Particulars	As at	As at
	31 March 2022	31 March 2021
(i) Non Current		
Provision for compensated absences	45.67	63.62
	45.67	63.62
(ii) Current		
Provision for compensated absences	10.50	14.89
	10.50	14.89



MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2022
(INR in Lacs, except share and per share data, unless otherwise stated)

18 Revenue from operations

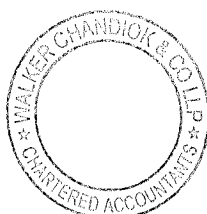
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of services		
Exports (earnings in foreign currency)	4,789.34	4,204.96
Domestic	597.80	532.93
	5,387.14	4,737.89

19 Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on:		
- Deposits with banks	79.47	48.77
Interest on Income tax refund	8.88	22.61
Net gain on sale of current investment carried at fair value through profit	1.48	4.31
Net gain on foreign currency transactions	34.33	-
Rent concession	-	15.37
Other non-operating income (refer note (i) below)	55.05	43.77
	179.21	134.83

Note (i) Other non-operating income comprises:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Gain on sale of property, plant and equipment (net)	1.37	-
Gain on investment carried at fair value through profit and loss	2.54	15.22
Gain on lease termination	-	0.92
Miscellaneous income	51.14	27.63
	55.05	43.77



MPS Interactive Systems Limited**Notes forming part of Financial Statements for the year ended 31 March 2022****(INR in Lacs, except share and per share data, unless otherwise stated)****20 Employee benefits expenses**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages (refer note 27)	2,783.07	2,866.38
Contribution to provident and other funds (refer note 27)	126.31	157.45
Staff welfare expenses	34.79	41.85
	2,944.17	3,065.68

21 Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on lease liabilities (refer note 34)	27.26	54.34
Interest expense on inter corporate deposits & preference shares	-	97.45
	27.26	151.79

22 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 3.1)	62.69	67.50
Depreciation on right of use assets (refer note 3.2)	99.75	160.44
Amortization on intangible assets (refer note 4)	173.88	218.91
	336.32	446.85



MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2022
(INR in Lacs, except share and per share data, unless otherwise stated)

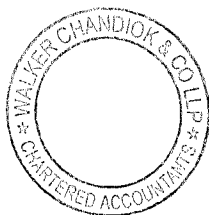
23 Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Outsourcing cost	740.05	720.58
Power and fuel	28.32	54.87
Rent	15.94	8.29
Repairs and maintenance - buildings	43.93	28.78
Repairs and maintenance - others	5.17	31.08
Insurance	1.17	1.50
Rates and taxes	2.34	3.26
Communication	29.50	44.17
Travelling and conveyance	7.49	2.43
Legal and professional	59.83	61.98
Sales and marketing expense	52.13	49.87
Software expense	102.94	131.99
Directors sitting fees	5.00	4.00
Payments to auditors (refer note (i) below)	12.00	14.50
Bad debts written off	5.22	9.10
Allowances for expected credit loss and doubtful advances	78.21	48.99
Lease expense (refer note (ii) below)	14.61	-
Loss on sale/disposal/discard of property, plant and equipment (net)	-	1.67
Net loss on foreign currency transactions	-	41.01
Miscellaneous expenses	25.89	29.38
	1,229.74	1,287.46

(i) Payments to the auditors comprises (net of GST credit, where applicable):	For the year ended 31 March 2022	For the year ended 31 March 2021
----------------------------------------------------------------------------------	-------------------------------------	-------------------------------------

To statutory auditors		
for statutory audit	10.50	10.50
for transfer pricing	-	2.50
for tax audit	1.50	1.50

- (ii) In January 2022, the company has fully terminated the lease for Mumbai office location. On early termination of lease, the company has incurred settlement expense of INR 93.50 Lacs. Further, the company has adjusted the carrying amount of lease liability and right-of-use assets and netted off the resultant gain of INR 78.89 against settlement expenses.



MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2022
(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 2022 and 31 March 2021 are:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current income tax:		
Current income tax charge for the year	25.05	22.98
	25.05	22.98
Deferred tax:		
Deferred tax on profits for the year	236.01	551.66
	236.01	551.66
Income tax expense reported in the Statement of Profit and Loss	261.06	574.64
OCI section		
Tax related to items that will not be reclassified to Profit and Loss	(8.32)	(16.81)
Income tax charged to OCI	(8.32)	(16.81)

Reconciliation between average effective tax rate and applicable tax rate for the year ended 31 March 2022 and 31 March 2021:

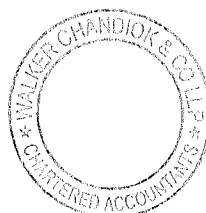
	For the year ended 31 March 2022	For the year ended 31 March 2021
Accounting profit / (loss) before income tax	1,028.86	(79.06)
At India's statutory income tax rate	25.17%	25.17%
Computed Tax Expense	258.94	(19.90)
DTL created on unamortised balance of goodwill in the tax books of the company	-	560.58
Non-deductible expenses	0.64	10.48
Additional allowances for tax purpose	(2.75)	(28.55)
Others	4.23	52.03
Income tax charged to Statement of Profit and Loss at effective rate of 25.37% (31 March 2021: 697.91%)	261.06	574.64

- (a) Effective tax rate has been calculated on profit before tax.
- (b) As per the amendment in Income Tax Act through Finance Act 2021, Goodwill has been taken out of the purview of tax depreciation with effect from 1st April 2020 and the written down value of the goodwill as on 1st April 2020, will now be considered as the cost of acquisition for computing the capital gain at the time of its disposal in future.

Thus, tax basis of goodwill become nil. As a result, Deferred tax liability of INR 560.58 Lacs is created on unamortised portion of Goodwill in tax books in the year ended on 31 March 2021.

25 Earnings per equity share

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit / (Loss) for the year attributable to the owners of the Company	767.80	(653.70)
Weighted average number of equity shares outstanding	6,20,00,000	6,20,00,000
Face value per share (INR)	10	10
Earnings per share- basic & diluted (INR)	1.24	(1.05)



MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2022
(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 period. 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.

Particulars	As at 31 March 2022	As at 31 March 2021
(i) The principal amount remaining unpaid to any supplier as at Balance Sheet date	9.02	-
(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 2022	For the year ended 31 March 2021
Employer's contribution to provident fund	106.03	127.11
Employer's contribution to superannuation fund	18.99	29.80
Employer's contribution to employee state insurance	1.27	0.51
Employer's contribution to labour welfare fund	0.02	0.02
	126.31	157.44

(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 6.41% (Previous year: 6.06%) 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 60 years and mortality table is as per IALM (2012-14).

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

The plans assets are maintained with Life Insurance Corporation of India in respect of gratuity scheme for employees of the Company. The expected rate of return on plan assets is 6.41% (Previous year: 6.06%) p.a.

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

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of obligation at the beginning of the year	472.17	597.04
Current service cost	32.83	42.31
Interest cost	28.61	37.26
Liability transferred on acquisition	-	(0.45)
Actuarial gain	(32.92)	(66.89)
Benefits paid	(123.25)	(137.10)
Present value of obligation	377.44	472.17

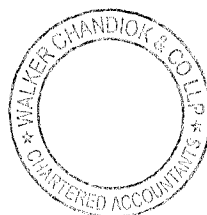
Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of obligation	377.44	472.17
Fair value of plan assets	(403.01)	(496.07)
Net (Assets) / liabilities recognised in the Balance Sheet	(25.57)	(23.90)

Fair Value of Plan Assets

Particulars	As at 31 March 2022	As at 31 March 2021
Plan assets at the beginning of the year	496.07	587.42
Expected return on plan assets	30.19	36.57
Assets transferred on acquisitions	-	(0.45)
Actual benefits paid	(123.25)	(137.10)
Contributions by the employer	-	9.63
Plan assets	403.01	496.07

Company's best estimate of contribution during next year is Nil



27 Employee benefits in respect of the Company have been calculated as under:
Composition of the plan assets is as follows:

Particulars	As at	
	31 March 2022	31 March 2021
Central government securities	20.63%	19.09%
Other approved securities	0.01%	0.00%
State government securities	46.91%	50.97%
Government guaranteed securities	0.00%	0.01%
Debentures and bonds	18.74%	23.85%
Equity Shares	9.68%	6.08%
TREPS, MF, Bank balance, etc	4.02%	0.00%

The above composition of plan assets are based on details received for 31 March 2021 (for previous year composition of plan assets are based on details received for 31 March 2020). Details for 31 March 2022 are awaited from LIC.

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

Particulars	For the year ended	
	31 March 2022	31 March 2021
Current service cost	32.83	42.31
Interest cost	(1.58)	0.69
Expense recognised in the Statement of Profit and Loss	31.25	43.00

Amount recognised in the other comprehensive income:

Particulars	For the year ended	
	31 March 2022	31 March 2021
Actuarial loss/(gain) due to demographic assumption change	-	-
Actuarial loss/(gain) due to financial assumption change	(32.92)	(66.89)
Actuarial loss/(gain) due to experience adjustment	-	-
Actuarial (gain)/loss on plan assets	(0.13)	0.09
Amount recognised in the other comprehensive income	(33.05)	(66.80)

Sensitivity analysis

	As at	
	31 March 2022	31 March 2021
Assumptions -discount rate		
Sensitivity Level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation -increase of sensitivity level	(8.33)	(11.31)
Impact on defined benefit obligation -decrease of sensitivity level	8.72	11.86
Assumptions -Future salary rate		
Sensitivity level (a hypothetical increase / (decrease) by)	0.50%	0.50%
Impact on defined benefit obligation-increase of sensitivity level	8.73	11.83
Impact on defined benefit obligation-decrease of sensitivity level	(8.41)	(11.14)

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.

Other long term benefits (compensated absences):

Particulars	As at	
	31 March 2022	31 March 2021
(C) Present value of obligation	56.17	78.52

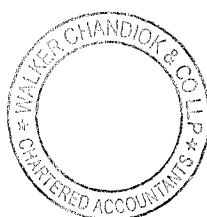


28 Fair value measurements

Particulars	Note	Level of hierarchy	As at 31 March 2022			As at 31 March 2021		
			FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets								
Investments in mutual fund	(c)	2	160.90	-	-	201.73	-	-
Trade receivables	(a)		-	-	1,056.83	-	-	756.06
Cash and bank balances	(a)		-	-	2,116.12	-	-	707.66
Other financial assets	(a, b)		-	-	165.62	-	-	684.30
Total financial assets			160.90	-	3,338.57	201.73	-	2,148.02
Financial liabilities								
Trade payables	(a)		-	-	223.87	-	-	196.90
Lease liabilities	(a)		-	-	-	-	-	414.96
Other financial liabilities	(a)		-	-	52.60	-	-	112.47
Total financial liabilities			-	-	276.47	-	-	724.33

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.



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 2022				31 March 2021			
	USD	CAD	GBP	Others	USD	CAD	GBP	Others
Cash and cash equivalents	432.25	13.72	28.89	0.16	261.08	22.88	-	0.02
Trade receivables	667.88	26.25	9.64	197.20	549.00	22.56	5.05	151.85
Other financial assets	0.85	-	-	-	(0.95)	-	-	-
Trade payables	(93.09)	-	(2.59)	-	(72.18)	-	(1.57)	-
Other financial liabilities	(17.67)	-	-	-	(48.39)	-	-	-
Net statement of financial position exposure	990.22	39.97	35.94	197.36	688.56	45.44	3.48	151.87

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 2022		31 March 2021	
	Strengthening	Weakening	Strengthening	Weakening
USD (1% movement)	9.90	(9.90)	6.89	(6.89)
CAD (1% movement)	0.40	(0.40)	0.45	(0.45)
GBP (1% movement)	0.36	(0.36)	0.03	(0.03)
Others (1% movement)	1.97	(1.97)	1.52	(1.52)

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 has no borrowings at fixed rate of interest. Hence the Company is not significantly exposed to interest rate risk.

ii Credit risk

Trade receivables

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:

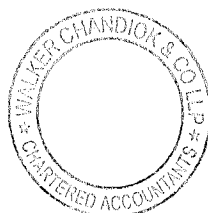
Particulars	For the year ended	For the year ended
	31 March 2022	31 March 2021
Revenue from top customers (more than 10% revenue individually)	775.97	1,567.24
Revenue from top 15 customers	3,484.60	3,636.58

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:

Trade receivables of INR 1,056.83 lacs as at 31 March 2022 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. 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 2022			As at 31 March 2021		
	Gross carrying amount	Allowance for credit losses	Net carrying amount	Gross carrying amount	Allowance for credit losses	Net carrying amount
Less than 180 days	1,045.63	2.32	1,043.31	742.13	1.24	740.89
More than 180 days	20.18	6.66	13.52	143.88	128.71	15.17
	1,065.81	8.98	1,056.83	886.01	129.95	756.06

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

Particulars	As at	As at
	31 March 2022	31 March 2021
Balance at the beginning of the year	129.95	80.96
Add: Provided during the year (net of reversal)	(115.75)	48.99
Less: Amount written off	(5.22)	-
Balance for the year ended 31 March 2022	8.98	129.95

Expected credit loss on financial assets other than trade receivables:

With regard to other financial assets with contractual cash flows other than trade receivables, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no material provision for 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

The Company limits its exposure to credit risk by investing in liquid securities and fixed deposit. 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 2022			31 March 2021		
	Carrying Amount	Within 1 year	More than 1 Year	Carrying Amount	Within 1 year	More than 1 Year
Non-derivative financial liabilities						
Trade payables	223.87	223.87	-	196.90	196.90	-
Lease liabilities	-	-	-	414.96	265.89	149.07
Other financial liabilities	52.60	52.60	-	112.47	112.47	-

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:

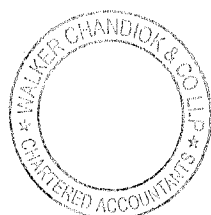
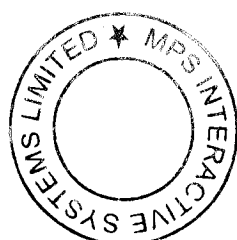
Particulars	As at	As at
	31 March 2022	31 March 2021
Total equity attributable to the equity shareholders of the Company	6,540.07	5,747.54
As percentage of total capital	100%	100%
Total lease liabilities	-	414.96
As a percentage of total capital	0%	7%
Total capital (lease liabilities and equity)	6,540.07	6,162.50

The Company is equity financed which is evident from the capital structure. Further, the Company has been a net cash company with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds.

The Company has been a net cash company with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds.

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 2022	31 March 2021
Long term borrowing	-	-
Current portion of long term borrowing	-	-
Total borrowing	-	-
Less:		
Cash and cash equivalents	564.14	360.36
Other bank balance	2,116.12	707.66
Net debt	(2,680.26)	(1,068.02)
Total equity	6,540.07	5,747.54
Gearing ratio	(0.41)	(0.19)



MPS Interactive Systems Limited
Notes forming part of Financial Statements for the year ended 31 March 2022
(INR in Laacs, except share and per share data, unless otherwise stated)

31 Related party transactions

The related parties as per the terms of Ind AS-24, "Related Party Disclosures" are disclosed below:-

A Names of related parties and description of relationship:

S.No.	Description of relationship	Names of related parties
1	Ultimate holding company	ADI BPO Services Limited
2	Holding company	MPS Limited
3	Fellow subsidiary companies	MPS North America LLC MPS Europa AG TOPSIM GmbH HighWire North America LLC (dissolved w.e.f. 21st December, 2021) HighWire Press Limited Semantico Limited
4	Company under common control	ADI Media Private Limited BirdCall Private Limited (w.e.f. 14th July, 2021)
5	Key management personnel (KMP)	Mr. Nishith Arora, Non-Executive Chairman (till 29th June, 2021) Mr. Rahul Arora, Chairman (w.e.f. 30th June, 2021), CEO and Whole Time Director Ms. Yamini Tandon, Non - Executive Director (w.e.f. 24th May 2021) Mr. Ajay Mankotia, Independent Director Mr. Sunit Malhotra, CFO (till 31st October, 2021) & Company Secretary Mr. Ratish Mohan Sharma, CFO (w.e.f. 1st November, 2021)

B Transactions during the year

Description of transactions	Name of related party	Relationship	For the year ended 31 March 2022	For the year ended 31 March 2021
1 Finance costs	MPS Limited	Holding Company	-	55.80
2 Dividend paid on preference shares	MPS Limited	Holding Company	-	29.41
3 Outsourcing cost	TOPSIM GmbH	Fellow Subsidiary Company	62.07	104.58
4 Rendering of services	MPS North America LLC MPS Europa AG	Fellow Subsidiary Company Fellow Subsidiary Company	- -	(4.23) 2.46
5 Fixed assets purchase	MPS Limited	Holding Company	-	1.87
6 Redemption of preference share capital	MPS Limited	Holding Company	-	2,200.00
7 Repayment of loan	MPS Limited	Holding Company	-	2,052.60
8 Expenses incurred during the year on behalf of the Company	MPS Limited MPS North America LLC	Holding Company Fellow Subsidiary Company	0.77 10.90	1.50 1.64
9 Director sitting fees	Mr. Ajay Mankotia	KMP	5.00	4.00

C Outstanding balance as at 31 March 2022

Particulars	Name of related party	Relationship	As at 31 March 2022	As at 31 March 2021
1 Trade payables	TOPSIM GmbH	Fellow Subsidiary Company	27.10	-
2 Trade payables	MPS Limited	Holding Company	0.77	-

Notes:

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



32 Revenue

(i) Revenue from contracts with customers

Revenues for the year ended 31 March 2022 & 31 March 2021 are as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
eLearning	5,387.14	4,737.89
	5,387.14	4,737.89

(ii) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition.

Revenue by geographical markets	For the year ended 31 March 2022	For the year ended 31 March 2021
	eLearning	eLearning
India (country of domicile)	597.81	532.93
Europe	154.01	121.94
USA	3,809.18	3,347.32
Rest of the World	826.14	735.70
Total	5,387.14	4,737.89

Refer note 29 (ii) on Financial risk management for information on revenue from top customers.

(iii) Contract balances

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

Particulars	As at 31 March 2022	As at 31 March 2021
Receivables, which are included in 'Trade and other receivables' (refer note no. 9)	1,056.83	756.06
Contract assets (refer note no. 8 (ii))	470.12	187.73
Contract liabilities (refer note no. 16)	1,582.06	1,074.50

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

Revenues in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities.

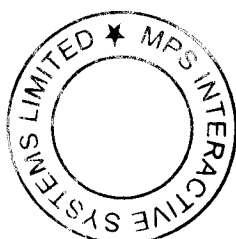
Significant changes in the contract assets and the contract liabilities balances for the year ended 31 March 2022 and 31 March 2021 are as follows

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
Balance as at beginning of the year	187.73	1,074.50	741.20	987.76
Increases due to cash received, excluding amounts recognised as revenue during the period	-	1,153.48	-	942.11
Revenue recognised that was included in the contract liability balance	-	(645.91)	-	(838.44)
Reversal of Contract liability	-	-	-	(16.93)
Increases as a result of changes in the measure of progress	470.14	-	187.73	-
Transfers from contract assets to receivables	(187.73)	-	(577.13)	-
Reversal of Contract Asset	-	-	(164.07)	-
Balance at the end of the year	470.14	1,582.07	187.73	1,074.50

(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.

- (v) The Company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts (ii) onerous obligations (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material based on such evaluation. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.



33 Contingent liabilities to the extent not provided for:

Claims against Company, disputed by the Company, not acknowledged as debt:

	As at 31 March 2022	As at 31 March 2021
(a) Service tax	-	100.68
(b) Other (refer note below)	Nil	Nil

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.

34 Leases

- (i) The Company had adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company had applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. 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 as at 1 April 2019, which is 9.5% for measuring the lease liability.

- (iii) **Reconciliation of lease liabilities (refer note 13)**

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	414.96	593.97
Interest on lease liabilities	27.26	54.34
Repayment of lease liabilities including interest expenses	119.38	184.87
Impact on Kolkata lease termination(Office Closure)	-	33.12
Impact on Mumbai lease termination(Office Closure)	322.85	-
Rent waiver during the year	-	15.37
Balance at the end of the year	-	414.96

- (iv) **Impact of adoption of Ind AS 116 on the statement of profit and loss**

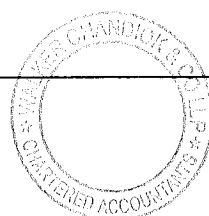
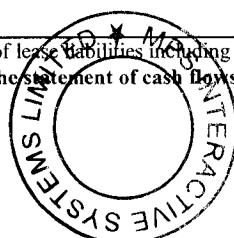
Particulars	As at 31 March 2022	As at 31 March 2021
Interest on lease liabilities (refer note 21)	27.26	54.34
Depreciation of Right-of-use assets (refer note 22)	99.75	160.44
Deferred tax (credit) (refer note 12)	17.71	(3.42)
Impact on the statement of profit and loss for the year	144.71	211.37

- (v) **Bifurcation of lease expenses on which exemption is taken**

Particulars	As at 31 March 2022	As at 31 March 2021
Expense related to short-term leases	-	-
Expense related to leases of low value assets, excluding short team leases of low value	35.34	38.22
Total	35.34	38.22

- (vi) **Amount recognised in the statement of cash flow**

Particulars	As at 31 March 2022	As at 31 March 2021
Repayment of lease liabilities including interest expenses	119.38	184.87
Impact on the statement of cash flows for the year	119.38	184.87



35 Corporate social responsibility (CSR) expense

Provision of Section 135 of the Companies Act 2013 are not applicable on the entity as threshold limits are not triggered during the year.

36 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.

37 Segment information

Operating Segments

The CEO and Whole Time Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of each segment and to make decision about allocation of resources. Accordingly, the Company has determined reportable segment by nature of its product and service, accordingly following is the reportable segments:

- (a) **eLearning:** eLearning means development of client eLearning requirements through technology-enabled, futuristic, and highly scalable learning solutions which includes gamification, simulations, custom eLearning, augmented and virtual reality, animations, videos, micro-learning etc.

No Operating Segment have been aggregated to form the above reportable segment.

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements.

Revenue and expenses which relate to the Company not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses'. Details are as follows:

(i) Particulars	INR in Laacs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Segment revenue		
eLearning	5,387.14	4,737.89
Total revenue from operations	5,387.14	4,737.89
Segment results		
eLearning	876.91	(62.10)
Total	876.91	(62.10)
Add: Interest income	79.47	48.77
Less: Finance cost	27.26	151.79
Less: Un-allocable expenditure (net of un-allocable income)	(99.74)	(86.06)
Profit/(loss) before tax	1,028.86	(79.06)
Tax expense	261.06	574.64
Profit/(loss) for the year	767.80	(653.70)

(b) 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.

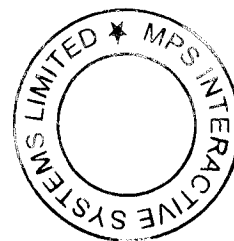
(i) Revenue by geographical markets

Particular	INR in Laacs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
India (country of domicile)	597.81	532.93
Europe	154.01	121.94
USA	3,809.18	3,347.32
Rest of the World	826.14	735.70
Total	5,387.14	4,737.89

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

Particular	INR in Laacs	
	As at 31 March 2022	As at 31 March 2021
India (country of domicile)	4,553.69	5,179.66
Europe	-	-
USA	1.65	2.06
Rest of the World	0.31	0.40
Total	4,555.65	5,182.12

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



38 Additional regulatory informations

(a) Relationship with Struck off Companies

Where the company has any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, the Company shall disclose the following details, namely:-

Name of struck off company	Nature of transactions with struck-off Company	Balance Outstanding as at March 31, 2022	Balance Outstanding as at March 31, 2021	Relationship with the Struck off company, (if any),
	Investments in securities	-	-	
	Receivables	-	-	
	Payables	-	-	
	Shares held by struck off company	-	-	
	Other outstanding balances	-	-	

(b) Ratios


Ratios	Formulas for Computation	Measures (Times / Percentage)	As at 31 March 2022	As at 31 March 2021	Variation	Remarks
Current Ratio	Curren Assets / Current Liabilities	Times	2.48	1.48	67.98%	Improved on account of increase in current assets as on 31 March 2022.
Debt-Equity Ratio	Total Debts / Net Worth	Times	-	-	-	As there is no debt in the company, hence Debt-equity ratio is not calculated
Debt Service Coverage Ratio	EBITDA / Debt Service	Times	-	-	-	As there is no debt in the company, hence Debt Service Coverage ratio is not calculated.
Return on Equity Ratio	Profit after Tax / Average Total Equity	Percentage	12.50%	-10.57%	218.23%	Improved due to business recovery and better margins during the year ended 31 March, 2022.
Inventory turnover Ratio	COGS/Average Inventory	Times	-	-	-	As there is no trading and Manufacturing in company, hence Inventory turnover ratio is not
Trade Receivable turnover Ratio	Revenue from Operations / Average Debtors	Times	5.52	3.84	43.67%	Improved due to business recovery and better margins during the year ended 31 March, 2022.
Trade Payable turnover Ratio	Other expenses net off non cash expenses and CSR/ Average accounts payable	Times	5.45	5.02	8.59%	
Net Capital turnover Ratio	Revenue from Operations/ Average Working Capital (i.e Total Current Assets Less Total Current Liabilities)	Times	2.93	1.76	66.47%	Improved due to business recovery and better margins during the year ended 31 March, 2022.
Net Profit Ratio	PAT/ Revenue from Operations	Percentage	14.25%	-13.80%	203.30%	Improved due to business recovery and better margins during the year ended 31 March, 2022.
Return on Capital Employed	EBIT/Capital Employed ((Net Worth +Lease Liabilities+Deferred Tax Liabilities)	Percentage	14.15%	1.06%	1231.11%	Improved due to business recovery and better margins during the year ended 31 March, 2022.
Return on Investments	Profit before Tax / Total Assets	Percentage	10.91%	-0.95%	1254.11%	Improved due to business recovery and better margins during the year ended 31 March, 2022.

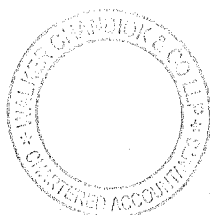
39 Other statutory information

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the period/year.
- The Company have 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:
 - 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
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - 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,
- The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.


As per our report of even date attached

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


Rohit Arora
Partner
Membership Number: 504774

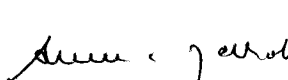


For and on behalf of the Board of Directors of
MPS Interactive Systems Limited

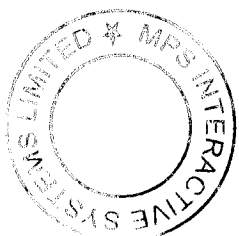

Rahul Arora
Chairman, Chief Executive Officer
& Whole Time Director
DIN: 05353333


Ajay Mankotia
Director
DIN: 03123827


Ratish Mohan Sharma
Chief Financial Officer


Sunit Malhotra
Company Secretary
ACS No. - A7808

Place : Noida
Date : 16 May 2022



Place : Noida
Date : 16 May 2022

NOTICE

Notice is hereby given that the 4th (Fourth) Annual General Meeting of the members of MPS Interactive Systems Limited will be held on **Monday, June 27, 2022 at 10:00 AM IST** through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 including Balance Sheet as at March 31, 2022, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, along with the notes to Financial Statements, reports of the Board of Directors and Auditors thereon.
2. To consider the re-appointment of Ms. Yamini Tandon (DIN: [06937633](#)), Non-Executive Director, who retires by rotation has offered herself for re-appointment.

By Order of the Board

Place: Noida
Date: May 16, 2022

Sunit Malhotra
Company Secretary

Registered Office:
RR Towers IV, Super A,
16/17, T V K Industrial Estate,
Guindy, Chennai - 600 032, Tamil Nadu
CIN: U74999TN2018PLC122594
E-mail: secretarial@mpslimited.com

IMPORTANT NOTES

General instructions for accessing and participating in the 4th AGM through VC/OAVM Facility:

1. The Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020, 17/2020, 20/2020, 02/2021 and 21 /2021, 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021 and May 05, 2022 respectively ("MCA Circulars"), permitted the holding of AGM through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility without the physical presence of the Members at a common venue.
2. The AGM is being held pursuant to the MCA Circulars through VC / OAVM facility, therefore physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy/proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip and route map of the venue of AGM are not annexed to this Notice.

However, Corporate Members intending to authorize their representatives to attend & vote at the AGM through VC / OAVM facility on its behalf are requested to send duly certified copy of the relevant Board resolution. The said resolution/authorization shall be sent to the by email through its registered email address secretarial@mpslimited.com.

3. Members attending the AGM through VC / OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Members may join the 4th AGM through VC/OAVM Facility by following zoom link Join Zoom Meeting <https://zoom.us/j/4825744886> the same shall be kept open for the Members from 09:45 AM IST i.e. 15 minutes before the time scheduled to start the 4th AGM and the Company

may close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the 4th AGM.

OTHER GUIDELINES FOR MEMBERS ATTENDING AGM THROUGH VC/OAVM

1. Members will be provided with a facility to attend the 4th AGM through VC/OAVM through Zoom Application. Shareholders may access the same at <https://zoom.us/j/4825744886> through the Zoom app on their mobile phones or directly through web by clicking on the above link.
2. Members are encouraged to join the Meeting through Laptops / IPads for better experience. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
3. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
4. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request at least **48 hours** in advance **prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@mpslimited.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries **48 hours** in advance **prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@mpslimited.com. These queries will be replied to by the company suitably by email. Those members who have registered themselves as a speaker shall be allowed to ask questions during the 4th AGM, depending upon the availability of time.

By Order of the Board

Place: Noida
Date: May 16, 2022

Sunit Malhotra
Company Secretary

Registered Office:
RR Towers IV, Super A,
16/17, T V K Industrial Estate,
Guindy, Chennai - 600 032, Tamil Nadu
CIN: U74999TN2018PLC122594
E-mail: secretarial@mpslimited.com

Annexure to the Notice

(FOR ITEM NUMBER-2)

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Name	Ms. Yamini Tandon
Date of Re-appointment	-
Age	36 Years
Qualifications	Graduation in Political Science and Post Graduate Program in Management from Indian School of Business, Hyderabad.
Expertise in specific functional area	She has wide experience in developing strategies to grow sales and market share and enhance enterprise reputation.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Rahul Arora, Chairman, CEO & Whole-time Director is Spouse of Ms. Yamini Tandon
Number of Meetings of the Board attended during the year	4 Meetings
Directorships held in other Public Limited Companies in India	MPS Limited
*Chairmanships / Memberships of Committees in other Public Limited Companies in India	Nil
Shareholding in the Company (No. of shares)	Nil